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### IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

| Proceeding                | 92025859  |
|---------------------------|---|
| Party                     | Defendant<br>General Cigar Co., Inc.  |
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| Date                      | 09/29/2020  |
| Attachments               | PUBLIC - REDACTED - FINAL Abbot Trial Decl COHIBA Proceeding.pdf(751280 bytes) Abbot Annex A - Public Version.pdf(5297 bytes) Abbot Annex B.pdf(2745059 bytes) Abbot Annex C.pdf(1953263 bytes) Abbot Annex D.pdf(1796434 bytes) Abbot Annex E.pdf(2504723 bytes) Abbot Annex F.pdf(600878 bytes) Abbot Annex G.pdf(768934 bytes) Abbot Annex H.pdf(2405724 bytes) Abbot Annex I.pdf(2034204 bytes) Abbot Annex J.pdf(3365719 bytes) Abbot Annex K.pdf(5284993 bytes) Abbot Annex K.pdf(5284993 bytes) Abbot Annex L - Public.pdf(705244 bytes) Abbot Annex M.pdf(1064119 bytes) Abbot Annex M.Public.pdf(66071 bytes) Abbot Annex O - Public Version.pdf(896820 bytes) Abbot Annex P - Public Version.pdf(1547034 bytes) Abbot Annex Q.pdf(2302507 bytes) Abbot Annex R.pdf(3395546 bytes) |

#### REDACTED PUBLIC VERSION

# IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

| In the matter of Trademark Registration No. 1147309 For the mark COHIBA                                 |                             |
|---|-----------------------------|
| Date registered: February 17, 1981  |                             |
| AND   |                             |
| In the matter of the Trademark Registration No. 18982 For the mark COHIBA Date registered: June 6, 1995 |                             |
| EMPRESA CUBANA DEL TABACO, d.b.a. CUBATABACO,   | :<br>:                      |
| Petitioner,<br>v.   | : Cancellation No. 92025859 |
| GENERAL CIGAR CO., INC.,  | :                           |
| Respondent.   | :                           |
|   | :<br>X                      |

### **DECLARATION OF STEVEN ABBOT**

STEVEN ABBOT declares under penalty of perjury under the laws of the United States of America that the following is true and correct:

- 1. I am currently Senior Brand Manager of Respondent General Cigar Co., Inc. ("Respondent" or "General Cigar"), responsible for General Cigar's Macanudo and La Gloria Cubana cigar brands. From April 2014 through September 2016, I was Senior Brand Manager responsible for, among other products, the General Cigar COHIBA cigar brand ("COHIBA").
- 2. After September 2016 and through the date of this Declaration, I have continued to be very familiar with General Cigar's marketing, advertising and brand planning for COHIBA cigars, as the General Cigar marketing department is relatively small and Senior Brand Managers for all of the General Cigar brands, including COHIBA, frequently meet and consult with each other to discuss aspects of our work.
- 3. After September 2016, I consulted frequently with my successor as Senior Brand managers for COHIBA, Andres Maturen-Maal. Mr. Maturen-Maal succeeded me as Senior Brand Manager for COHIBA in 2016 and held that position until July 2019, when he left General Cigar to join Nestle's marketing department. In September 2019, Matt Wilson assumed the role as Senior Brand Manager for COHIBA, and continues to hold the position today. I have also frequently consulted with Mr. Wilson since he joined the company.
- 4. In addition to these consultations, I frequently review General Cigar's internal marketing documents for COHIBA, including the documents and data referenced below and attached as Annexes to this Declaration. From my experience with General Cigar since joining the company, I personally know that these documents were created at General Cigar contemporaneously with the events discussed in the documents, by persons with knowledge of the

matters discussed in the documents. The documents are kept in the regular course of General Cigar's business, and have been made and maintained as a regular practice of General Cigar.

- 5. I also have knowledge about the status and marketing of COHIBA prior to my joining the company. When I joined the company in April 2014, I was informed about COHIBA's history, market position and marketing initiatives by Augustin Martinez (then Director of Brand Marketing for General Cigar), Alan Willner (then Vice President of Marketing for General Cigar), Ed Lahmann (then Associate Brand Manager for General Cigar), and Gene Richter (then and currently Vice President of Sales for General Cigar).
- 6. From my years of experience working for General Cigar and meeting with cigar merchants and consumers, I also have personal knowledge about the U.S. cigar market, including brands of cigars sold on that market, segmentation of the market into premium and non-premium categories, the marketing and brand images of cigars in the U.S., and the sources of information about cigars that are available to consumers.
- 7. The statements made in this declaration are based on my personal knowledge, including the above-mentioned experiences, my discussions with other marketing personnel of General Cigar, and review of General Cigar's regularly maintained business documents. I have also reviewed the history of General Cigar's ownership, registration and use of the COHIBA mark prior to my joining the company, as set forth in opinions by the federal courts in litigation between General Cigar and Petitioner Empresa Cubana del Tabaco ("Cubatabaco").
- 8. As explained below, I know of no evidence indicating that General Cigar's use of the COHIBA mark has confused, or is likely to confuse, potential consumers of U.S. premium cigars into believing that the General Cigar COHIBA cigar originates in Cuba or is made or approved in some form by Cubatabaco, a Cuban state enterprise. The facts indisputably show that:

- a. The General Cigar COHIBA cigar is not made from Cuban tobacco, but from tobacco that originates in a variety of non-Cuban countries.
- b. General Cigar has sold a COHIBA-branded cigar since 1978 (with a hiatus, explained below, from 1982 to 1987). It has actively promoted and advertised its COHIBA cigar as a premium/super-premium cigar to U.S. cigar consumers for many years.
- c. General Cigar does not promote or advertise the COHIBA cigar to consumers as originating in Cuba or, indeed, as having any connection to Cuba other than that certain COHIBA sub-brands are "Cuban seed," meaning that the cigars use varieties of tobacco that were originally developed in Cuba.
- d. U.S. consumers of premium cigars are well aware that since 1962, the U.S. Government has imposed a strict embargo on commercial importation and sale of Cuban-origin goods. As a result, they are aware that no Cuban cigar may be commercially sold in the United States, and that any cigar they buy from a U.S. cigar store or a U.S. cigar Internet or mail-order merchant is not a Cuban cigar.
- e. The General Cigar COHIBA is an expensive cigar. Full-size COHIBA cigars, the form in which most U.S. cigar smokers consume COHIBA brand products, range from a suggested retail price of \$9.89 to \$90.00, depending on the size of the cigar. Small COHIBA cigars are also sold in packages of six or ten, ranging in suggested retail price from \$19.99 to \$23.99. I understand from discussions with cigar merchants that this pricing places

the COHIBA cigar at well above the mid-point price of premium cigars sold in the U.S. market. As a result, U.S. consumers do not buy a COHIBA cigar on impulse or without considering the purchase and other cigar options before parting with their money. They are thus unlikely to be confused into thinking, before making a decision to buy a General Cigar COHIBA, that the cigar originates in Cuba or is sponsored or approved by a Cuban cigar maker.

- f. While Cubatabaco manufactures and, through Habanos S.A., sells, a "Cohiba" cigar in countries outside of the United States, that cigar has never been legally sold in the United States due to the embargo. Indeed, I understand that it violates the embargo for Cubatabaco to advertise or promote its "Cohiba" cigar in the United States. To my knowledge no advertising for the Cuban "Cohiba" cigar has been carried in any U.S. publication.
- g. While there are reports and reviews in U.S. cigar publications of the Cuban "Cohiba" cigar, U.S. premium cigar consumers are well aware that this is a different cigar from the COHIBA sold by General Cigar in the U.S., and that they cannot buy this "Cohiba" in the U.S. Indeed, the reports and reviews often note these facts and state that the reviewer consumed the Cuban cigars in foreign countries or bought them in a foreign country and brought them into the U.S. as personal baggage. In fact, the U.S. government has recently banned even importation of Cuban cigars into the U.S. for personal use.

- h. For more than fifty years, there have been many "parallel" brands of cigars, in which one manufacturer uses a brand on non-Cuban-origin tobacco cigars sold only in the U.S., and an unrelated manufacturer uses the same brand on Cuban-origin tobacco cigars sold exclusively outside the U.S. COHIBA is one of these parallel brands. As a result of this long-standing parallel brands practice, which is often pointed out in many publications and websites directed to cigar smokers, generations of cigar consumers have learned that the non-Cuban branded cigars they can buy at their local cigar store or from U.S. Internet sellers do not have the same origin as the Cuban cigars, sold under the same brand, that they may read about.
- i. It is my understanding that Cubatabaco's trial briefing may cite to a small number of internal General Cigar planning documents, never released to the public, that discuss possible consumer association between Cuba and certain General Cigar cigars, including the COHIBA. However, this does not evidence that any consumer confusion is likely to arise from General Cigar's use of its COHIBA registered trademarks. Cigars originated in the Caribbean, and Cuban companies were well-known as manufacturers of cigars sold in the U.S. throughout the 19th and part of the 20th centuries. This history is often discussed in publications directed at cigar consumers. Even today, after more than fifty years of embargo, this history leads consumers to make some association between cigars as a general product and Cuba no matter where the cigars originate. In recognition of this long-standing association between cigars and Cuba, many U.S. cigar

- manufacturers sell cigars in the U.S. under brands that clearly mention Cuba or Havana, even though many of the brands have no connection whatsoever with Cuba.
- j. There is also no evidence of any harm to the reputation of the Cuban-origin "Cohiba" sold by Cubatabaco as a result of General Cigar's sale of the COHIBA cigar in the U.S. General Cigar COHIBA cigars are of equal to or better quality than the Cuban "Cohiba" cigar.
- k. I am not aware of any actual confusion among consumers created by General Cigar's use of its registered COHIBA trademarks.

#### My Background

- 9. My background and employment history is as follows: I received a Bachelor of Business from William and Mary College and a Master's degree in business from the University of Oregon. After working at Arthur Andersen as an auditor, I obtained my MBA. I then worked at West Ridge Designs, McKenzie Kids, Fruit of the Loom, Heinz and Del Monte Foods, and my responsibilities at all of those companies involved marketing of the companies' products.
- 10. I joined Swedish Match in 2006. From 2006 through 2013, I worked as Senior Brand Manager for various smokeless tobacco products sold by Swedish Match. My responsibilities were exclusively in marketing.
- 11. In 2014, I became Senior Brand Manager at General Cigar, responsible for the marketing of General Cigar's Dominican brands, which included COHIBA, Partagas, La Gloria Cubana and Dunhill. I held that position until September 2016, at which point I became Senior Brand Manager responsible for the marketing of General Cigar's Macanudo and La Gloria Cubana brands, a position I continue to hold.

#### The General Cigar COHIBA Cigar

- 12. General Cigar is one of the world's largest manufacturers and marketers of premium cigars and the largest manufacturer of cigars for the premium cigar market in the United States. Its products are sold throughout the United States, Puerto Rico, and U.S. territories. General Cigar is a wholly-owned subsidiary of Scandinavian Tobacco Group.
- 13. A cigar consists of "filler" tobacco bound together with "binder" tobacco, which is then wrapped in a tobacco leaf, known as "wrapper" tobacco. Cigars are usually categorized as hand-made or hand-rolled on the one hand, or machine-made on the other. Premium cigars are hand-rolled cigars made of high-quality filler and wrapper tobacco. Typically, the filler in a premium cigar is "long-leaf," meaning strips of tobacco the same length as the cigar itself, whereas a machine-made cigar typically uses shredded, lesser quality tobacco as filler.
- 14. General Cigar's COHIBA cigars are all hand-rolled and use premium long-leaf tobaccos as filler.
- 15. Premium cigars are prized among U.S. cigar consumers, who pay a substantially higher retail price for them. In the United States, the lowest-priced premium cigars are sold at retail at above \$4.00 per cigar. Many premium cigars are sold at retail at above \$10.00 per cigar.
- 16. Currently, the various COHIBA sub-brands sold by General Cigar (described in greater detail below) suggested retail from approximately \$9.89 to \$90.00 per full-size cigar, which is at the high end of all premium cigars sold in the U.S. market. Even the least expensive COHIBA (the COHIBA Blue) is substantially more expensive than the average premium cigar. Attached as **Annex A** are price lists issued by General Cigar to cigar merchants, with suggested retail resale prices, for each of the COHIBA sub-brand cigars marketed between 2015 through 2020.

- 17. Currently, General Cigar sells the following COHIBA sub-brand cigars:
  - a. The sub-brand originally called just COHIBA is now generally called the COHIBA Red Dot. This refers to the long standing graphic COHIBA mark, used on all COHIBA subbrands, in which the central space of the letter "O" is filled in red:



- b. Attached as **Annex B** are photographs of the current configuration of the
- COHIBA Red Dot cigar, cigar tube, five-count carton, box, and box bottom showing the origin. The COHIBA Red Dot is hand-made in the Dominican Republic and uses Dominican filler tobacco. The legend of origin on the cigar band is "Republica Dominicana" and the box legend of origin is "Handmade by General Cigar Company in the Dominican Republic." Currently, the COHIBA Red Dot is offered in eight different large sizes and two miniature sizes. In addition, as discussed below, there is a miniature version of the COHIBA Red Dot cigar.
- c. COHIBA Black is also made in the Dominican Republic with Dominican filler tobacco, with a darker wrapper and stronger flavor than the COHIBA Red Dot. Attached as **Annex C** are photographs of the current configuration of the COHIBA Black cigar, cigar tube, box, and box bottom showing the

- origin. The legend of origin on the cigar band is "Republica Dominicana" and on the cigar box is "Handmade by General Cigar Company in the Dominican Republic." There are five large sizes and one miniature size of the COHIBA Black cigar.
- d. COHIBA Macassar, made in the Dominican Republic with Dominican and Nicaraguan filler tobacco, is a super-premium cigar that uses tobacco aged in rum barrels. Attached as **Annex D** are photographs of the current configuration of the COHIBA Macassar cigar, box, and box bottom showing the origin. The legend of origin on the box is "Handmade by General Cigar Company in the Dominican Republic." There are three different sizes of the COHIBA Macassar cigar.
- e. COHIBA Nicaragua is made in Nicaragua with Nicaraguan filler tobacco. Attached as **Annex E** are photographs of the current configuration of the COHIBA Nicaragua cigar, cigar tube, box, and box bottom showing the origin. The COHIBA Nicaragua's name indicates Nicaraguan origin. The legend of origin on the band is "Republica Nicaragua" and the box legend of origin is "Handmade in Esteli, Nicaragua." There are four large sizes and one miniature size of the COHIBA Nicaragua cigar.
- f. COHIBA Luxury Selection is one of our highest-priced and rarest cigar, as we only produced approximately 2,000 ten-count boxes of this scarce, limited edition product in 2015 and 2016. It was made in the Dominican Republic with Dominican and Brazilian filler tobaccos. Attached as Annex
  F is a photograph of the COHIBA Luxury Collection cigar and cigar tube.

The COHIBA Luxury Selection cigar was also used in a limited edition 2018 holiday COHIBA Bespoke Collection box. The COHIBA Bespoke Collection box consisted of 3 COHIBA Luxury Selection cigars and a pair of cufflinks branded with the Red Dot logo. Only approximately 1,500 of these boxes were produced. Attached as **Annex G** is a photograph of the COHIBA Luxury Collection box. The COHIBA Luxury Selection is no longer being produced.

- g. COHIBA Blue is made in the Dominican Republic with Dominican, Nicaraguan, and Honduran filler tobacco, with a different taste profile and slightly lower retail price position than COHIBA Red Dot. Attached as Annex H are photographs of the current configuration of the COHIBA Blue cigar, cigar tube, box, and box bottom showing the origin. The legend of origin on the cigar band is "Republica Dominicana" and the legend of origin on the box is "Handmade by General Cigar Company in the Dominican Republic." There are five large sizes and one miniature size of the COHIBA Blue cigar.
- h. COHIBA Royale started to ship to customers at the beginning of 2020. It is the most full-bodied blend in the portfolio and the first COHIBA cigar to be rolled in Honduras. The cigar blend has a Nicaraguan wrapper with additional tobaccos from Nicaragua, Honduras, and the Dominican Republic. There are three large sizes ranging in suggested retail price from \$23.99 to \$28.99 per cigar. **Annex I** are photographs of the current

- configuration of the COHIBA Royale cigar, cigar tube, five-count carton, box, and box bottom showing the origin.
- i. COHIBA Connecticut was launched in March of 2019. It is the smoothest blend in the COHIBA cigars portfolio with a mellow to medium body. The blend has a Connecticut Shade wrapper from Ecuador with additional tobaccos from Mexico, Brazil, Nicaragua, and the Dominican Republic. It is rolled in the Dominican Republic. The blend is offered in four large cigar sizes with suggested retail prices between \$20.69 and \$22.79 per cigar.

  Annex J are photographs of the current configuration of the COHIBA Connecticut cigar, cigar tube, five-count carton, box, and box bottom and carton sides showing the origin.
- j. COHIBA Silencio started in 2018 as an event-only cigar and was not sold at retail. In 2019, four COHIBA Silencio cigars were included in the COHIBA Sliding Humidor/Ashtray Gift Set. The suggested retail price for each cigar was \$70. These cigars are produced in the Dominican Republic and include Nicaraguan and Dominican filler tobacco.
- k. COHIBA Spectre is the highest priced, rarest cigar we produce. The COHIBA Spectre has been produced in two versions one in 2018 and the other in 2019. In each year, only approximately 600 ten-count cigar boxes were made. In each year, the suggested retail price for a single cigar was \$90. In 2018, the COHIBA Spectre had Honduran, Nicaraguan, and Dominican filler tobacco and was sold in a unique, round, translucent plastic package. In 2019, the COHIBA Spectre had Brazilian and Nicaraguan

filler tobacco and was sold in a unique, rectangular, and translucent package. The cigars were manufactured in the Dominican Republic.

- In addition, to reach the customer who wants a quicker smoking experience, General Cigar sells smaller versions of some of its branded cigars, including COHIBA cigars. It is common for cigar manufacturers to produce small cigar versions of their premium cigars. General Cigar manufactures COHIBA Red Dot Miniatures, sold in packages of ten cigars, and COHIBA Red Dot Pequeño, COHIBA Black Pequeño, COHIBA Blue Pequeño, and COHIBA Nicaragua Pequeño, sold in packages of six cigars. Price range for the small cigars are \$19.99 to \$23.99 per tin. Attached as **Annex K** are photographs of the current configuration of these small cigars and tin backs showing the origin.
- 19. Attached as **Annex L** are "sell sheets" prepared by General Cigar for the years 2015 through 2019, which were provided to retailer and distributor attendees at a major national trade show, the International Premium Cigar and Piper Retailers Association (now known as the Premium Cigar Association), and which describe the attributes of each COHIBA sub-brand while promoting sales to retailers.
- 20. In addition, a number of COHIBA sub-brands have been discontinued in recent years: (a) COHIBA XV ("Extra-Vigoroso") (launched in 2002, discontinued in 2017, (b) COHIBA PURO DOMINICANA (launched in 2008, discontinued in 2015, (c) COHIBA COMADOR (launched in 2013, discontinued in 2016), and (d) COHIBA EDICION DIAMANTE (launched in 2011, discontinued in 2013.
- 21. General Cigar sells COHIBA cigars to distributors and retailers who resell to consumers in the United States, Puerto Rico, the U.S. Virgin Islands, and Guam. It does not sell COHIBA cigars outside of that area.

#### History of the General Cigar COHIBA Cigar

- 22. General Cigar began selling a COHIBA-branded cigar in small quantities in the U.S. in or about 1978, and began selling COHIBA-branded cigars in large quantities in or about 1982. The cigar was not of particularly high quality. However, there was a decline in U.S. cigar consumption starting in the 1960s, and continuing through the 1980s. Attached as **Annex M** is an article from the September/October 2012 issue of *Cigar Aficionado* magazine, entitled, "A Brief History of the Cigar Industry," describing this decline and stating that as of 1992, "American cigar consumption was spiraling to all-time lows." In 1987, in light of the adverse market conditions of the time, General Cigar decided to stop selling its then-current COHIBA cigar, and began to plan for a repositioning of the cigar as a premium product that would be one of General Cigar's principal brands when the cigar market recovered, which was expected to be within the reasonably foreseeable future. The market did recover in the "cigar boom" of the 1990s, and General Cigar again began to sell COHIBA-branded cigars in November 1992.
- 23. In 1997, General Cigar introduced a repositioned, super-premium COHIBA cigar to the U.S. market, accompanied by over two million dollars in advertising and promotional expenditures. The relaunched COHIBA was a substantial success in the premium cigar category and has been one of General Cigar's best-selling premium products since its relaunch.
- 24. The chart below shows General Cigar's annual COHIBA sales to direct accounts, less FET tax and discounts:

| Year | General Cigar COHIBA Sales |
|------|----------------------------|
| 2007 | \$                         |
| 2008 | \$                         |
| 2009 | \$                         |

| 2010 | \$ |
|------|----|
| 2011 | \$ |
| 2012 | \$ |
| 2013 | \$ |
| 2014 | \$ |
| 2015 | \$ |
| 2016 | \$ |
| 2017 | \$ |
| 2018 | \$ |
| 2019 | \$ |

25. The total sales of General Cigar's COHIBA cigars to direct accounts from 2007 through 2019, less FET tax and discounts, is \$\\_\text{EMEMBER}.

#### Advertising and Promotion of the COHIBA Cigar

26. Since 2008 through 2019, General Cigar has invested over \$\textstyle=\tex

- 27. General Cigar also uses the practice of "brand ambassadors" to promote its cigars. A brand ambassador is hired by a company to represent a brand in a positive light, thereby increasing brand awareness and sales among consumers, and becomes the "face" of the product to many consumers. In 2017, Sean Williams, a well-known African-American cigar maker, was hired to be brand ambassador for COHIBA. Since then, Mr. Williams has attended dozens of cigar events and expositions where he represents COHIBA to consumers and merchants and promotes its sale. Mr. Williams has also promoted COHIBA on numerous Internet video programs sponsored by cigar merchants and digital video advertising placed by General Cigar. He has also appeared as a guest on cigar-oriented podcasts.
- 28. Representative examples of print advertising for COHIBA and its sub-brands over the past 10 years are attached as **Annex O**.
- 29. Representative examples of digital advertising for COHIBA and its sub-brands over the past 6 years are attached as **Annex P**.
- 30. A representative list of events at which Sean Williams has appeared as COHIBA brand ambassador is attached as **Annex EE**.

#### The General Cigar COHIBA Consumer is a Careful Purchaser

31. As the manager who was charged with marketing the COHIBA cigar to U.S. consumers, and who continues to work in the marketing of premium cigars, and based on my many interactions with cigar consumers and retailers, I have concluded that the decision of a consumer to purchase COHIBA cigars is made carefully, not casually or without knowledge as to what is being bought. COHIBA is not an "impulse buy." It is an expensive purchase for any consumer. As noted, the recommended retail price of our lowest-priced cigar, COHIBA Blue, is \$9.89. A consumer will consider purchasing a COHIBA cigar only when he or she wishes to enjoy a

luxurious, ultra-high-quality cigar. Thus, the potential purchaser of COHIBA cigars is generally a careful consumer who thinks about what he or she is about to buy before putting down cash or a credit card to purchase one or more than one COHIBA cigars.

- 32. General Cigar does not ship COHIBA cigars other than to wholesale distributors, retail cigar stores, and internet cigar merchants. In my experience, the vast majority of these cigars are sold to consumers either in retail cigar stores or via the Internet (in prior years, also via mail order). General Cigar does not control the resale of its cigars, so while it is not impossible that a COHIBA cigar will occasionally be sold to a consumer through a non-tobacconist outlet, in my experience that is quite uncommon.
- 33. There are many dozens of brands of cigars available to a consumer who enters a U.S. cigar shop or who shops for cigars on the Internet. The vast majority of these cigars are less expensive than the least expensive COHIBA cigar. The suggested retail price of the COHIBA cigars sold by General Cigar is at or near the highest end of the price range for handcrafted, premium cigars. Below is a table showing each COHIBA sub-brand (other than COHIBA Silencio and COHIBA Spectre) and the current range of suggested retail prices for individual cigars in the sub-brand. There is a range because the cigars vary in size, often called by its Spanish name "vitola," and larger cigars generally retail for more than smaller cigars:

|                  | 2020 Suggested Retail |
|------------------|-----------------------|
| COHIBA Red Dot   | \$12.99-\$23.59       |
| COHIBA Black     | \$17.59-\$24.99       |
| COHIBA Macassar  | \$27.29-\$31.49       |
| COHIBA Nicaragua | \$12.99-\$23.79       |
| COHIBA Blue      | \$9.89-\$19.99        |

| COHIBA Royale      | \$23.99-\$28.99 |
|--------------------|-----------------|
| COHIBA Connecticut | \$20.69-\$22.79 |

#### See Annex A.

General Cigar Makes No Claim That its COHIBA Cigar is Cuban or Has a Connection to Cuba

- 34. As shown in Annexes O and P, General Cigar has not and does not make any claim in advertising or promotion that its COHIBA cigar is of Cuban origin or has any historical or current connection with Cuba. The word Cuba, Cuban, or Havana never appears in COHIBA advertising or promotion, except for references to tobaccos used in certain COHIBA cigars as "Cuban seed." Many cigars produced outside of Cuba use tobacco varieties that originated in Cuba and are advertised as containing Cuban seed tobacco. When geographic origin is mentioned in COHIBA advertising, it references either the source of the tobacco from Nicaragua or Honduras, or the manufacture of the cigars in the Dominican Republic.
- 35. General Cigar markets and positions its COHIBA in the United States premium cigar market as an ultra-luxury cigar, at the top end of the premium cigar spectrum. General Cigar's COHIBA cigars are positioned as an "aspirational" brand for consumers, and General Cigar's marketing materials and advertisements evoke the image of a luxury lifestyle through images of the cigar positioned alongside luxurious and expensive champagnes and spirits, enjoyed by individuals wearing expensive watches and well-tailored suits and clothing. These signifiers of a high-status lifestyle are emphasized by the tagline "Experience Luxury." The images evoke the luxury lifestyle in the U.S. Printouts from the www.cohiba.com website reflecting the luxury lifestyle and aspirational nature of the brand are attached as **Annex Q**.

The Unique United States Cigar Market and Consumer Awareness of "Parallel Brands" in the U.S. and Cuba

- 36. The cigar market in the U.S. is a unique product market, in that by law, cigars originating in Cuba may not be commercially sold anywhere in the U.S. The U.S. trade embargo, which prohibits commercial importation or sale of Cuban cigars, has been in effect since 1962, well over 50 years. Cuba is a large producer of cigars, but Cuban manufacturers cannot export those cigars to the U.S. and American merchants cannot sell them in this country. Indeed, I understand that Cuban manufacturers may not even buy advertisements for their cigar brands in U.S. publications. To my understanding, there have been no advertisements for the Cuban "Cohiba" cigar run in any United States general or cigar print publication since I began work with General Cigar. I believe there is no other consumer goods market in the U.S. in which goods from a major foreign producing country are comprehensively barred from sale or advertisement in this manner. In fact, the U.S. Department of the Treasury, Office of Foreign Assets Control, has just issued regulations prohibiting importation of Cuban cigars into the U.S. even for personal use. Attached as Annex R is a September 24, 2020 press release from this agency explaining the change and the new regulations, appearing at 85 Fed. Reg 60068-60072 (September 24, 2020).
- 37. The embargo on sale of Cuban cigars is also frequently mentioned in cigar magazines and blogs as a "fact of life" for U.S. cigar smokers. Attached as **Annex S** are representative examples of publications over the past 10 years which called the embargo to the attention of U.S. cigar smokers and reminded them that Cuban cigars cannot be legally purchased in the U.S. Given the long duration of the embargo, I do not believe there are any appreciable number of premium cigar smokers who are unaware that Cuban cigars are barred from sale in the United States, or who believe that cigars that can be commercially purchased in the United States either were made in Cuba or originate with or are approved by a Cuban manufacturer.

- 38. Another unique aspect of the U.S. cigar market is the existence of numerous "parallel brands," which are brands of non-Cuban cigars sold in the U.S., for which a similar or identical brand of Cuban cigar exists that can be legally sold only outside of the U.S. This practice has been going on for over fifty years. COHIBA is one such parallel brand, as Cubatabaco manufactures a "Cohiba" cigar in Cuba, which is exported to and commercially sold exclusively outside of the U.S. There are many other parallel brands of cigars where a U.S. manufacturer sells non-Cuban-origin cigars under the brand in the U.S., while a Cuban-origin cigar originating with the Cuban state tobacco monopoly, using the same brand, is sold outside of the U.S. Such parallel brands include Montecristo, Partagas, Romeo y Julieta, Hoyo de Monterrey, H. Upmann, Punch, Bolivar, El Rey del Mundo, La Gloria Cubana, Ramon Allones, Saint Luis Rey, San Cristobal, Sancho Panza, Fonseca, Juan Lopez, Po Larranaga, Quintero, Rafael Gonzalez, and Trinidad.
- 39. U.S. cigar consumers have been aware for many years of the existence of parallel brands, and that the cigar brands they buy or see advertised in the United States have no current connection with the corresponding parallel brands used by the Cuban state tobacco monopoly for non-U.S. exports. The facts about parallel brands are frequently covered in cigar magazines and on-line publications read by U.S. cigar consumers. See. e.g., https://www.cigaraficionado.com/article/what-s-in-a-brand-name (Jan./Feb. 2018), https://www.bloomberg.com/news/features/2017-06-12/get-ready-for-the-cuban-cigar-wars (June 2017), both of which mention COHIBA as one of the parallel brands. Copies of such articles published in recent years are attached as **Annex T**.
- 40. There are other points of distinction that inform U.S. consumers that the General Cigar COHIBA is not connected with Cubatabaco or the "Cohiba" cigar produced in Cuba. As the *Cigar Aficionado* article discussed above points out, certain U.S. "parallel brands" share the

same trade dress and logo with their Cuban counterparts. Examples of the U.S. and Cuban cigars of this nature are shown below.





- 41. In fact, one cigar currently sold in the United States uses elements of the trade dress of the Cuban "Cohiba": Cuban Rounds. Cuban Rounds can be purchased in the U.S. through <a href="https://www.jrcigars.com">www.jrcigars.com</a>, which, as noted below at Paragraphs 57 & 58, is owned by the same company that has owned a 50% interest in Habanos, S.A., the company co-owned by Cubatabaco and which has distributed the Cuban "Cohiba" outside of the U.S. Another major Internet Cigar retailer, Famous Smoke, states that Cuban Rounds have been sold in the U.S. since 2006. *See* Annex U, which is a copy of a page from the <a href="https://www.famous-smoke.com">www.famous-smoke.com</a> website.
- 42. The cigar bands and boxes of the "Cuban Rounds" actually feature elements of the trade dress of the Cuban "Cohiba" cigar specifically, use of a black-and-white checkerboard motif and the color yellow, as well as the words "Taste of Havana." Shown below are side-by-side image comparisons of the Cuban Rounds cigar and cigar box and the cigar and band and box of the Cuban "Cohiba" cigar. The latter graphics are taken from the official Habanos website, www.habanos.com.



43. In contrast, General Cigar uses a distinctly different trade dress for its COHIBA cigar that is not used by Cubatabaco on its Cuban "Cohiba" cigar. Cuban "Cohiba" cigars use: (1) an "Indian head" logo; and (2) a trade dress and logo featuring the word "Cohiba" in black type against a white background, with a background motif consisting of a black-and-white "checkerboard" pattern above a bright yellow motif. In addition, Cuban "Cohiba" cigars prominently feature the "Habanos" sticker on the boxes in which they are packaged, and a band that states "Habana, Cuba." None of these elements feature in the General Cigar COHIBA. To illustrate, below is a side-by-side graphic comparison of General Cigar's COHIBA Red Dot cigar band and cigar box with the band and cigar box for a typical Cuban "Cohiba" cigar. The latter graphics are taken from the official Habanos website, <a href="https://www.habanos.com">www.habanos.com</a>.





44. Thus, the General Cigar COHIBA cigar sold by General Cigar to U.S. cigar consumers is distinctly different from, and not likely to be confused with, the "Cohiba" cigar manufactured in Cuba and sold exclusively outside of the U.S.

## <u>U.S. Cigar Consumers Are Also Aware of the Trademark Dispute Between General Cigar</u> and Cubatabaco

45. Since the early 2000s, cigar consumers have also been informed by articles in the general and cigar-oriented media about the ongoing trademark litigation between General Cigar and Cubatabaco. This serves to further educate those consumers that the General Cigar COHIBA cigar sold in the U.S. is not connected in any way with Cubatabaco or the "Cohiba" cigar made by Cubatabaco and sold outside of the U.S. For example, the article titled "What's In a Brand Name?" published in the January/February 2018 edition of *Cigar Aficionado*, which is available online at <a href="https://www.cigaraficionado.com/article/what-s-in-a-brand-name">https://www.cigaraficionado.com/article/what-s-in-a-brand-name</a>, and attached as part of Annex T, explains the facts in detail:

Part of the learning curve for newcomers to the cigar world is that even while they've diligently memorized names of classic Cuban cigars, when they see those brands displayed on a store shelf in the United States they are quite different animals made in a different location.

[...]

The story behind Cohiba's Dominican-made U.S. counterpart differs from the rest of the parallel brands. Unlike most popular Cuban brands, Cohiba was created after the Revolution by the Castro government, so it was never seized from anyone. The disgruntled expatriates may have sought to reproduce their own family labels for the U.S. market, but they left Cohiba alone. Cohiba was not representative of their tobacco heritage, it was a symbol of the new regime. In the U.S., it belonged to no one.

General Cigar filed an application with the U.S. Patent and Trademark office in 1978 for the Cohiba mark. It was officially registered in 1981 and General began selling Dominican-made Cohibas in the U.S. in 1994. By 1997 General created what is known as the "red dot" Cohiba, with a logo featuring a red dot in the hole of the "O," quite a different look from Cuba's cigar. General didn't buy the trademark from anyone and felt they didn't have to. The Cuban government was outraged.

In response, Cuba sued over trademark infringement in January 1997. The case is officially known as *Empresa Cubana del Tabaco v. Culbro Corp.*, and Cohiba has been in litigation ever since. For 20 years the suit has gone back and forth in a legal

tug-of-war with wins and losses for both sides, not to mention millions of dollars spent on legal fees.

[...]

In the meantime, more than a half-dozen versions of Cohiba are made by General Cigar for the United States, and Cuba continues to come out with new varieties, including a 50th anniversary version created in 2016. The case of Cohiba v. Cohiba is still unresolved, with neither party backing down.

Attached as **Annex V** are additional articles that have appeared since 1995 in general and cigaroriented print and electronic media that inform the public of the on-going trademark dispute between General Cigar and Cubatabaco.

#### General Cigar Does Not Misrepresent the Geographic Origin of Its Cigars to Consumers

- 46. Like many businesses that manage a large number of product brands, General Cigar engages in a yearly process that ultimately yields a brand plan that guides marketing and sales activities for the following year. I understand that Cubatabaco may argue that a few statements contained within General Cigar's internal brand planning documents suggest that General Cigar has sought to associate its COHIBA cigar with the Cuban "Cohiba" cigar. This is simply not true.
- 47. First, General Cigar's internal brand planning reflects an iterative process that occurs throughout the year. It is a form of give and take "brainstorming" that is ultimately refined into a brand plan to be approved by company management. Many of the creative ideas floated during this process fall away and are not part of the brand plan presented to management for its approval and that is true of the few documents that Cubatabaco may cite: none of them were part of the brand plans presented to General Cigar's management, much less the brand plans that management approved. It is only the approved brand plan that guides General Cigar's marketing of its products for the upcoming year.

- 48. Attached as **Annex W** are General Cigar's final, management-approved brand plans for the years 2005-2019 (excluding 2007, 2009, & 2011). Each includes a separate section which is the brand plan for the COHIBA brand. None of these brand plans suggest any effort on General Cigar's part to make a connection between the COHIBA cigar and Cuba, much less the "Cohiba" cigar made in Cuba.
- 49. Second, neither the internal planning documents nor the brand plan itself are ever made public. As noted above, General Cigar's actual advertising and marketing does not mention Cuba or seek to evoke any association between the General Cigar COHIBA cigar and Cuba. Because General Cigar's brand planning documents are not known to the public, they do not and cannot have any impact on consumer impressions of the General Cigar COHIBA cigar.
- 50. Third, General Cigar consistently informs both consumers and merchants of the country of manufacturing origin of each cigar in General Cigar's COHIBA line, as well as the geographic origin of each tobacco used in COHIBA cigars. As noted above, the country of manufacturing origin appears on either the band, the box, or both, of every COHIBA cigar.
- 51. In addition, attached as **Annex X** are true and correct copies of press releases describing COHIBA brand cigars launched by General Cigar. Further, attached at Annex L are "Sell Sheets" that General Cigar has recently used in marketing its cigars to cigar merchants for each of the following sub-brands that are or have been offered within General Cigar's COHIBA cigar line: COHIBA RED DOT, COHIBA BLUE, COHIBA MACASSAR, COHIBA NICARAGUA, COHIBA BLACK, COHIBA ROYALE, and COHIBA CONNECTICUT. These state the correct country of manufacturing origin and country or countries where the tobacco used in the cigar was grown.

52. Similarly, General Cigar describes the non-Cuban origin of all of the cigars within its COHIBA cigar line accurately on its <a href="www.cohiba.com">www.cohiba.com</a> website. Attached as Annex Y is a current printout of the relevant pages of that website. General Cigar does the same on its website <a href="www.cigarworld.com">www.cigarworld.com</a> (the "Cigar World website"). General Cigar produces, updates and maintains the Cigar World Website in order to provide information to consumers about its products, including General Cigar's COHIBA cigar, as well as about premium cigars generally. Attached as Annex Z are true and correct copies of printouts from the website <a href="www.cigarworld.com">www.cigarworld.com</a> describing various sub-brands within General Cigar's COHIBA brand cigars.

#### General U.S. Consumer Association of Cigars as a Product with Cuba

- 53. Cubatabaco may also reference documents within General Cigar's internal brand planning process that refer to certain cigars as having "Cuban equities" or a "Cuban halo," or a "Cuban brand association." For example, one General Cigar brand planning document (not part of a final brand plan) discussed the "Cuban equities" of General Cigar's Partagas brand. *See*Annex AA. These documents also have no influence on consumers, since they reflect internal impressions or discussions that are never made public. Moreover, such references simply acknowledge a fact that is beyond any cigar manufacturer's ability to control or influence: the cigar-consuming public makes an association between Cuba and cigars as a product class, no matter where the cigars originate from.
- 54. Cigars as a commercial product originated in the Caribbean. Cuba was a well-known manufacturer of cigars sold in the U.S. throughout the 19th and 20th centuries, until the U.S. embargo against sales of Cuban cigars went into effect. Even today, this history leads many U.S. consumers to make an association between cigars as a general product and Cuba no matter

where the cigars originate. A good analogy is the U.S. market for wines: for historical reasons many wine consumers still associate wines with European countries even though now it is my understanding that more American-origin wine than European-origin wine is sold in the U.S.

- 55. Parallel brands, discussed above, reinforce the continuing general association between cigars and Cuba, even though the cigars are not made in Cuba. Indeed, reflecting this general association, many brands of non-Cuban cigars are sold in the United States under marks that reference Cuba or Havana, even though those brands have no known connection to either location.
- MBombay Habano; (t) Mi Cubano; (m) Havana Honeys; (n) Herrera Esteli Habano; (s) MBombay Habano; (t) Mi Cubano; (u) My Father Vegas Cubanas; (v) Oliveros Gran Retorno Habano; (w) PDR 1878 Cubano Especial; (x) PDR Small Batch Habano; (y) Raices Cubano. Attached as **Annex BB** is a true and correct copy of a printout from the U.S., reference or evoke www.jrcigars.com/cigars dated September 21, 2020 showing each of the above-described cigar brands.
- 57. Although Petitioner Cubatabaco has no commercial operations in the U.S., it is certainly aware of this common use in the U.S. cigar market of marks incorporating Cuba or

Havana/Habano for cigars with no Cuban connection. Habanos S.A. ("Habanos") is the entity that sells and markets Cubatabaco cigars, including the Cuban "Cohiba," and Habanos is 50% owned by Cubatabaco. (141 & 142 TTABVUE 4, 24-25, ¶ 6 (Decl. of Lisset Fernandez Garcia ("Garcia Decl.")).) In fact, the Cuban trial witnesses for Cubatabaco have all worked for Habanos or have been simultaneously employed by Cubatabaco and Habanos at relevant times. (*See* 139 & 140 TTABVUE 3-4, 25-27, ¶¶ 3-6 (Decl. of Enrique Babot Espinosa); 141 & 142 TTABVUE 2, 23, ¶ 3 (Garcia Decl.).)

58. As of April 2020, the other 50% owner of Habanos was a subsidiary of Imperial Brands, plc. At that time, Imperial Brands, plc, through another subsidiary, owned 100% of 800-JR-CIGAR, Inc., which does business as JR Cigars, and on the Internet as www.jrcigars.com. JR Cigars is one of the largest internet retailer of cigars in the U.S. And, as shown above, JR Cigars retails many brands of non-Cuban cigars whose marks explicitly evoke Cuba or Havana, and even use a trade dress similar to that of the Cuban "Cohiba" cigar. Thus, any claim by Cubatabaco that General Cigar has sought to create an association with Cuba by use of the COHIBA brand is not only groundless, but also avoids the fact that in the U.S., an affiliate of Habanos, JR Cigars, has for many years been marketing parallel brands of cigars, and brands using the word "Cuba(n)" or "Havana/Habana" although having no historical connection to Cuba.

#### General Cigar's COHIBA Cigars Are of High Quality

59. General Cigar's COHIBA cigars are considered to be of high quality and comparable to the best of Cuban cigars. The General Cigar COHIBA has received numerous positive ratings and reviews from magazine and on-line cigar reviewers in the cigar press. Attached as **Annex CC** are numerous recent reviews of General Cigar COHIBA cigars.

- 60. It is difficult to compare premium cigars from different manufacturers, just as it is difficult to compare wines from different vineyards. Cigars are crafted to have different tastes, flavors, and to give different smoking experiences, and a single cigar may blend a number of tobaccos of different origin to yield the desired result. Moreover, just as with wines, perceived differences in the quality of top-level cigars is somewhat subjective and one reviewer may prefer a cigar which another does not. From the many reviews I have read, I have seen that reviewers find General Cigar COHIBA cigars to be of at least equal quality to the Cuban "Cohiba" cigar.
- 61. However, there has been increasing statements in the cigar press that Cuban premium cigars have been declining in quality. This appears to be the result of a number of factors: inability of Cuban producers to grow enough premium-quality tobacco to meet demand, poor tobacco harvests in some years, and retirement or death of experienced cigar rollers. Attached as **Annex DD** are recent articles reflecting these concerns as to the quality of Cuban cigars.
- 62. In short, the General Cigar COHIBA cigar is equal or better in quality than the Cuban "Cohiba" cigar.

#### Lack of Actual Confusion

63. In my marketing activities on behalf of General Cigar's Cohiba cigar from 2014-2016, I met with hundreds of retailers of cigars and discussed the General Cigar Cohiba cigar. I do not recall any of those retailers expressing any confusion between the General Cigar COHIBA and the Cuba "Cohiba" cigar. I also do not recall any of those retailers informing me that any of the consumers with whom they interacted ever expressed any such confusion.

I declare under penalty of perjury that the foregoing is true and correct. Executed on September 29, 2020

STEVEN ABBOT

# IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of Trademark Registration No. 1147309

For the mark COHIBA

| Date registere              | ed: February             | 17, 198 | 31                    |             |                           |
|-----------------------------|--------------------------|---------|-----------------------|-------------|---------------------------|
| AND                         |                          |         |                       |             |                           |
| For the mark Date registere | COHIBA<br>ed: June 6, 19 | 95      | egistration No. 18982 |             |                           |
|                             | CUBANA                   |         | TABACO, d.b.a.        | :<br>:      |                           |
|                             |                          | v.      | Petitioner,           | :<br>:<br>: | Cancellation No. 92025859 |
| GENERAL                     | CIGAR CO.                | , INC., | Respondent.           | :           |                           |
|                             |                          |         |                       | :           |                           |

Steven Abbot – Annex A

Confidential – Filed Under Seal

In the matter of Trademark Registration No. 1147309

For the mark COHIBA

| Date registere                                  | ed: February | 17, 198 | 1                     |             |                           |
|---|--------------|---------|-----------------------|-------------|---------------------------|
| AND   |              |         |                       |             |                           |
| In the matter<br>For the mark<br>Date registere | COHIBA       |         | egistration No. 18982 | 273         |                           |
| EMPRESA<br>CUBATAB                              |              | DEL     | TABACO, d.b.a.        | :<br>:      |                           |
|   |              | v.      | Petitioner,           | :<br>:<br>: | Cancellation No. 92025859 |
| GENERAL   | CIGAR CO.    | INC.,   |                       | :           |                           |
|   |              |         | Respondent.           | :           |                           |
|   |              |         |                       | :<br>x      |                           |

Steven Abbot – Annex B











In the matter of Trademark Registration No. 1147309

For the mark COHIBA

| Date registere                                  | ed: February | 17, 198 | 1                     |             |                           |
|---|--------------|---------|-----------------------|-------------|---------------------------|
| AND   |              |         |                       |             |                           |
| In the matter<br>For the mark<br>Date registere | COHIBA       |         | egistration No. 18982 | 273         |                           |
| EMPRESA<br>CUBATAB                              |              | DEL     | TABACO, d.b.a.        | :<br>:      |                           |
|   |              | v.      | Petitioner,           | :<br>:<br>: | Cancellation No. 92025859 |
| GENERAL   | CIGAR CO.    | INC.,   |                       | :           |                           |
|   |              |         | Respondent.           | :           |                           |
|   |              |         |                       | :<br>x      |                           |

Steven Abbot – Annex C









In the matter of Trademark Registration No. 1147309

For the mark COHIBA

| Date registere              | ed: February             | 17, 198 | 31                    |             |                           |
|-----------------------------|--------------------------|---------|-----------------------|-------------|---------------------------|
| AND                         |                          |         |                       |             |                           |
| For the mark Date registere | COHIBA<br>ed: June 6, 19 | 95      | egistration No. 18982 |             |                           |
|                             | CUBANA                   |         | TABACO, d.b.a.        | :<br>:      |                           |
|                             |                          | v.      | Petitioner,           | :<br>:<br>: | Cancellation No. 92025859 |
| GENERAL                     | CIGAR CO.                | , INC., | Respondent.           | :           |                           |
|                             |                          |         |                       | :<br>x      |                           |

Steven Abbot – Annex D

### WARNING: Cigars are not a safe alternative to cigarettes.



THE PINNACLE OF LUXURY, INSIDE AND OUT. **COHIBA** 



#### WARNING: Cigars are not a safe alternative to cigarettes.



INSIDE AND OUT.

**COHIBA** 









In the matter of Trademark Registration No. 1147309

| For the mark COHIBA  |                                |
|--|--------------------------------|
| Date registered: February 17, 1981   |                                |
| AND  |                                |
| In the matter of the Trademark Registration No For the mark COHIBA Date registered: June 6, 1995 |                                |
| EMPRESA CUBANA DEL TABACO, CUBATABACO,   |                                |
| Petitione  | r, : Cancellation No. 92025859 |
| v.   | :                              |
| GENERAL CIGAR CO., INC.,   | :                              |
| Respond  | ent.                           |
|  |                                |

Steven Abbot – Annex E











In the matter of Trademark Registration No. 1147309

For the mark COHIBA

| Date registere                                  | ed: February | 17, 198 | 31                    |             |                           |
|---|--------------|---------|-----------------------|-------------|---------------------------|
| AND   |              |         |                       |             |                           |
| In the matter<br>For the mark<br>Date registere | COHIBA       |         | egistration No. 18982 | 273         |                           |
| EMPRESA<br>CUBATAB                              |              | DEL     | TABACO, d.b.a.        | x<br>:<br>: |                           |
|   |              | v.      | Petitioner,           | :<br>:<br>: | Cancellation No. 92025859 |
| GENERAL   | CIGAR CO.    | , INC., |                       | :           |                           |
|   |              |         | Respondent.           | :           |                           |
|   |              |         |                       | :<br>X      |                           |

Steven Abbot – Annex F





In the matter of Trademark Registration No. 1147309

| For the mark COHIBA Date registered: February 17, 1981                                      |             |                           |
|---|-------------|---------------------------|
| AND   |             |                           |
| In the matter of the Trademark Regi<br>For the mark COHIBA<br>Date registered: June 6, 1995 |             | ,                         |
| EMPRESA CUBANA DEL TA   | -           | X.                        |
|   | Petitioner, | Cancellation No. 92025859 |
| v.<br>GENERAL CIGAR CO., INC.,  | :           |                           |
|   | Respondent. |                           |
|   | :           | K                         |

Steven Abbot - Annex G





In the matter of Trademark Registration No. 1147309

For the mark COHIBA

| Date registere                                  | ed: February | 17, 198 | 1                     |             |                           |
|---|--------------|---------|-----------------------|-------------|---------------------------|
| AND   |              |         |                       |             |                           |
| In the matter<br>For the mark<br>Date registere | COHIBA       |         | egistration No. 18982 | 273         |                           |
| EMPRESA<br>CUBATAB                              |              | DEL     | TABACO, d.b.a.        | :<br>:      |                           |
|   |              | v.      | Petitioner,           | :<br>:<br>: | Cancellation No. 92025859 |
| GENERAL   | CIGAR CO.    | INC.,   |                       | :           |                           |
|   |              |         | Respondent.           | :           |                           |
|   |              |         |                       | :<br>x      |                           |

Steven Abbot – Annex H











In the matter of Trademark Registration No. 1147309

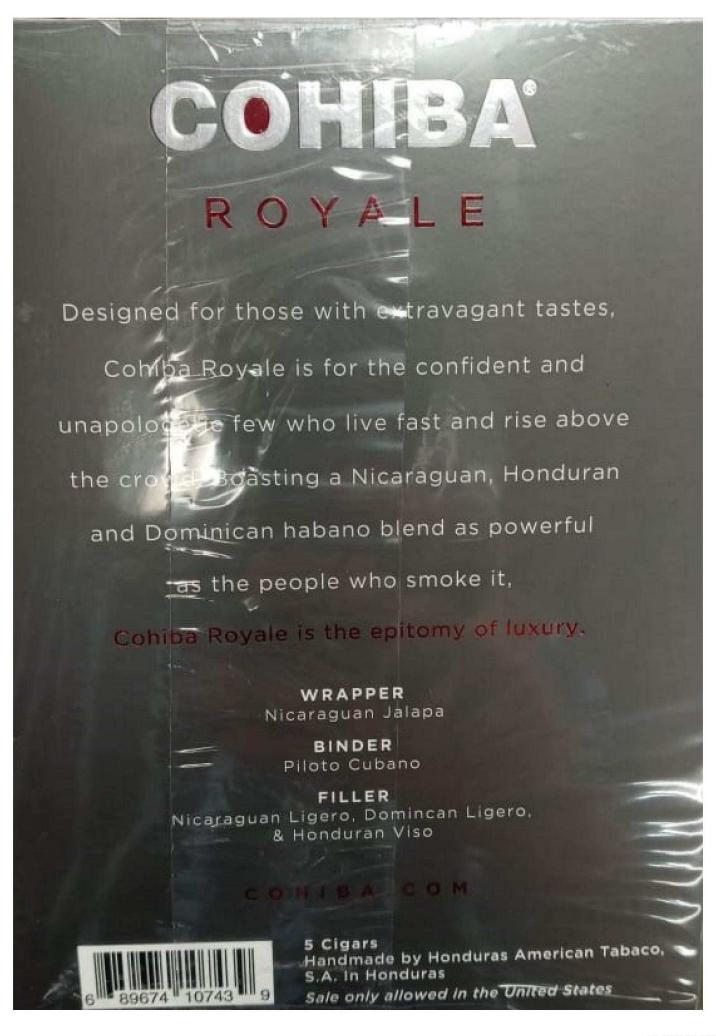
| For the mark COHIBA Date registered: February 17, 1981  |                           |
|---|---------------------------|
| AND   |                           |
| In the matter of the Trademark Registration No. For the mark COHIBA Date registered: June 6, 1995 |                           |
| EMPRESA CUBANA DEL TABACO, d<br>CUBATABACO,   |                           |
| Petitioner v.   | Cancellation No. 92025859 |
| GENERAL CIGAR CO., INC.,  | ·<br>:<br>:               |
| Responde  | ·<br>:                    |

Steven Abbot – Annex I











In the matter of Trademark Registration No. 1147309

For the mark COHIBA

| Date registere              | ed: February             | 17, 198 | 31                    |             |                           |
|-----------------------------|--------------------------|---------|-----------------------|-------------|---------------------------|
| AND                         |                          |         |                       |             |                           |
| For the mark Date registere | COHIBA<br>ed: June 6, 19 | 95      | egistration No. 18982 |             |                           |
|                             | CUBANA                   |         | TABACO, d.b.a.        | :<br>:      |                           |
|                             |                          | v.      | Petitioner,           | :<br>:<br>: | Cancellation No. 92025859 |
| GENERAL                     | CIGAR CO.                | , INC., | Respondent.           | :           |                           |
|                             |                          |         |                       | :           |                           |

Steven Abbot – Annex J









# COHIBA

### CONNECTICUT

Luxury is more than a word,

it is an experience. Cohiba Connecticut

delivers a luxurious smoking experience

like no other cigar. Constructed of

the world's finest tobaccos,

and rolled by true masters of the craft,

Cohiba has once again risen the bar for luxury.

5DS

Ecuadoran Connecticut Shade

BINDER Mexican San Andres

FILLER

Brazilian Matafina, Dominican Olor, Nicaraguan Jalapa & Dominican Piloto Cubano

COHIBA.COM





In the matter of Trademark Registration No. 1147309

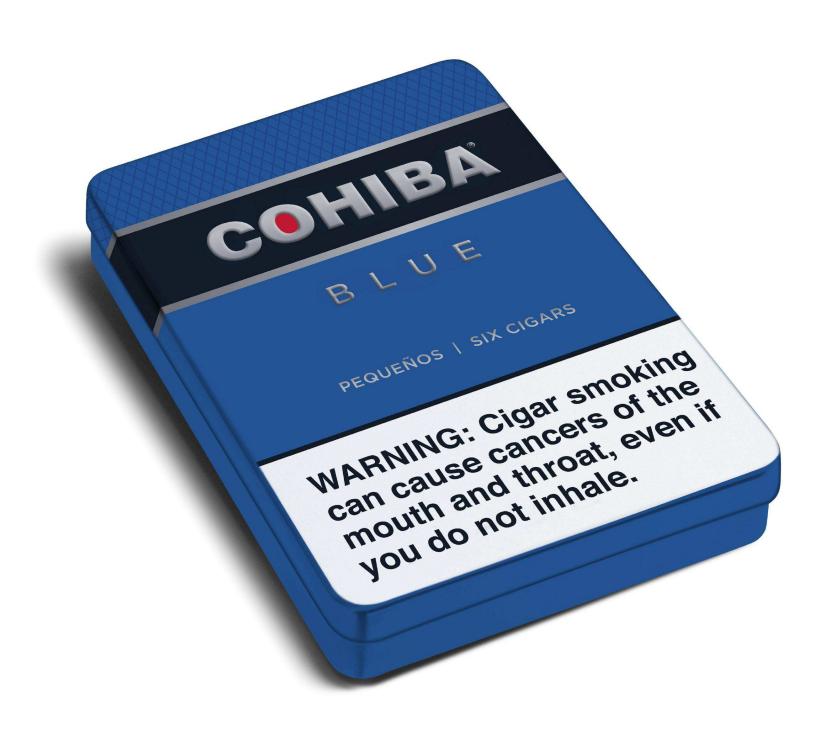
| For the mark COHIBA Date registered: February 17, 1981                                     |               |                           |
|--|---------------|---------------------------|
| AND  |               |                           |
| In the matter of the Trademark Reg<br>For the mark COHIBA<br>Date registered: June 6, 1995 |               | ,                         |
| EMPRESA CUBANA DEL T<br>CUBATABACO,  | •             |                           |
|  | Petitioner,   | Cancellation No. 92025859 |
| v.<br>GENERAL CIGAR CO., INC.,   | :<br>:        |                           |
|  | Respondent. : |                           |
|  | :<br>         | ζ.                        |

Steven Abbot – Annex K



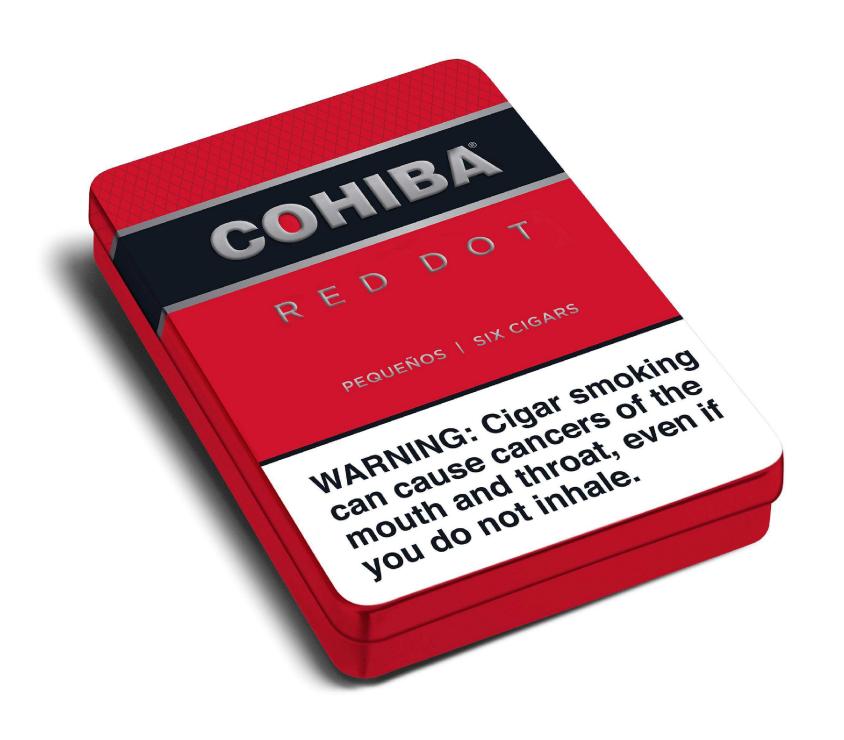


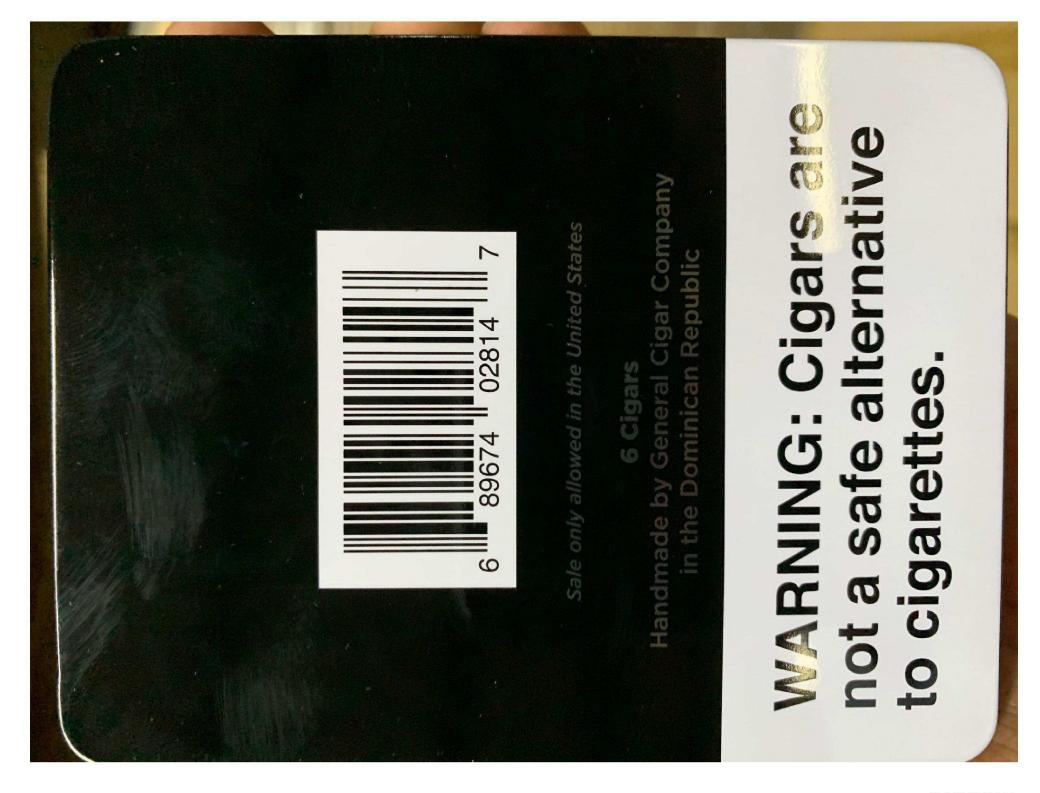


















WARNING: This product contains nicotine. Nicotine is an addictive chemical.



Sale only allowed in the United States

### 6 Cigars

Handmade by General Cigar Company in the Dominican Republic

WARNING: This product contains nicotine. Nicotine is an addictive chemical.

In the matter of Trademark Registration No. 1147309

| For the mark COHIBA  |             |                             |
|--|-------------|-----------------------------|
| Date registered: February 17, 1981   |             |                             |
| AND  |             |                             |
| In the matter of the Trademark Reg<br>For the mark COHIBA<br>Date registered: June 6, 1995 |             |                             |
| EMPRESA CUBANA DEL T<br>CUBATABACO,  |             | :<br>:                      |
|  | Petitioner, | : Cancellation No. 92025859 |
| v.   |             | :                           |
| GENERAL CIGAR CO., INC.,   |             | :                           |
|  | Respondent. | :<br>:                      |
|  |             | Х                           |

Steven Abbot – Annex L

**Public Version** 

In the matter of Trademark Registration No. 1147309

| For the mark COHIBA  |             |                             |
|--|-------------|-----------------------------|
| Date registered: February 17, 1981   |             |                             |
| AND  |             |                             |
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| EMPRESA CUBANA DEL T<br>CUBATABACO,  |             | :<br>:                      |
|  | Petitioner, | : Cancellation No. 92025859 |
| v.   |             | :                           |
| GENERAL CIGAR CO., INC.,   |             | :                           |
|  | Respondent. | :<br>:                      |
|  |             | Х                           |

Steven Abbot – Annex L

**Public Version** 

In the matter of Trademark Registration No. 1147309

For the mark COHIBA

| Date registered: February 17, 1981   |                     |             |                           |
|--|---------------------|-------------|---------------------------|
| AND  |                     |             |                           |
| In the matter of the Trademark Reg<br>For the mark COHIBA<br>Date registered: June 6, 1995 | istration No. 18982 |             |                           |
| EMPRESA CUBANA DEL T<br>CUBATABACO,  | 'ABACO, d.b.a.      | x<br>:<br>: |                           |
| v.   | Petitioner,         | :<br>:<br>: | Cancellation No. 92025859 |
| GENERAL CIGAR CO., INC.,   |                     | :           |                           |
|  | Respondent.         | :<br>:      |                           |
|  |                     | X           |                           |

Steven Abbot – Annex L

GENC0000226 - 279

FILED UNDER SEAL

In the matter of Trademark Registration No. 1147309

For the mark COHIBA

| Date registered: February 17, 1981   |             |             |                           |
|--|-------------|-------------|---------------------------|
| AND  |             |             |                           |
| In the matter of the Trademark Reg<br>For the mark COHIBA<br>Date registered: June 6, 1995 |             |             |                           |
| EMPRESA CUBANA DEL T<br>CUBATABACO,  |             | :<br>:      |                           |
| v.   | Petitioner, | :<br>:<br>: | Cancellation No. 92025859 |
| GENERAL CIGAR CO., INC.,   |             | :           |                           |
|  | Respondent. | :           |                           |
|  |             | :<br>x      |                           |

Steven Abbot – Annex L

GENC0000390 - 413

FILED UNDER SEAL

In the matter of Trademark Registration No. 1147309

For the mark COHIBA

| Date registered: February 17, 1981   |             |             |                           |
|--|-------------|-------------|---------------------------|
| AND  |             |             |                           |
| In the matter of the Trademark Reg<br>For the mark COHIBA<br>Date registered: June 6, 1995 |             |             |                           |
| EMPRESA CUBANA DEL T<br>CUBATABACO,  |             | :<br>:      |                           |
| v.   | Petitioner, | :<br>:<br>: | Cancellation No. 92025859 |
| GENERAL CIGAR CO., INC.,   |             | :           |                           |
|  | Respondent. | :           |                           |
|  |             | :<br>x      |                           |

Steven Abbot – Annex L

GENC0000477 - 500

FILED UNDER SEAL



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| PUNCH GRAN<br>PURO NICARAGUA                             | 11         | 1000                              |
|  |            |                                   |

### MACANUDO INSPIRADO WHITE

12

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14

14

15

15

16

17 17 Ecuadoran Connecticut Binden Indonesian Fillen Nicaraguan Jalapa, Nicaraguan Condega and Mexican

At first glance, Maxanudo Inspirado White is a thing of beauty. Grown beneath a veil of clouds, the lustrous Ecuadoran Connect cut weapper is a proprehary tent developed by General Cigar's agromomests to deliver an aesthetic quality like no other. A creamy shade of gold, aged for six years, the wrapper sets this stage for a study in contrast. Beauty soon turns to complexity, as an Indonesian binder brings farth an aromatic nichness, while Ricaragues Condega and Maxican San Andres leaves, each aged for four years, deliver sweet strength. A Ricaraguan lead cultivated in the Jalapa Valley and aged for two years deepens the experience, producing a cigar brinning with notes of earth and spice.





#### MACANUDO INSPIRADO BLACK

Wrapper: Connecticut Broadleaf Blader: Ecuadoran Sumatra Filler: Hicaraguan Esteli

A balance of power, ach eved by art and science. This is Macanudo Inspirado Black. In a proprietary experimental process, the Connecticut Broadleaf plants were left to ripen on the stalk. The result is a rich and radiant maduro wrapper with a new dimension of sweetness. As maskerful blending calls for balance and complexity, the Equadoran Sumatra binder enhances the strength and flavor of the Broadleaf wrapper. And that is just the beginning. The Nicaraguan-forward blend features proprietary seeds grown in Esteli, uniquely fermented to produce the utmost in strength and flavor All fold, this is a cigar that demands attention, with bold, peppery notes interwined with a autite undertone of sweet earth.

| ACANUDO IN:         | SPIRADO          |           |                   |                         |              |              |                |             |          | Strip Date: Jr | ıly 11, 2017    |
|---------------------|------------------|-----------|-------------------|-------------------------|--------------|--------------|----------------|-------------|----------|----------------|-----------------|
| CPBNTMAR*           | 10775            | 1.107     | 1.175%            | 1 (0.5)                 | FAR PER HOSE | F-TETP CICSS | CICARNET TREET | FEP PER BOX | RESOURCE | THE LETT       | TOTAL S PRETION |
| AACANUDO INSPI      | RADO WHITE       |           |                   | 101 100 7               |              | 111 2000     |                | 11.00       |          |                |                 |
| Churchill           | 4604-kiriDb      |           | 6 89674 89226 1   | 6 896 4 89227 B         | 38.24        | \$7.29       | 76             | 964.30      | 220      | 578W           | 5045.80         |
| Teru                | 4663-MACW        | 635×50    | 6 89674 09354 1   | 19674 19355 8           | 36.01        | 27.5%        | 26             | (年) 新       | 20       | 178(0)         | \$136.60        |
| Robusto             | 4662-HACM        | 5 X 50    | Б 89674 09211 7   | 6 19674 B9352 7         | 10.84        | 95.40        | 75             | 555.MJ      | 562      | 705W           | STRUME          |
| AACANUDO INSPI      | RADO BLACK       |           |                   |                         |              | 7            |                |             |          |                |                 |
| Chanchill           | 4867-MACB        | 7×48      | 8 89674 09258     | t 19674 0 <b>9259</b> 9 | 94.11        | \$7.55       | 28             | 571.80      | S8.20    | 80,00          | 5154/26         |
| Ture                | 4BSS-MACE        | 5 35 x 54 | 6 89674 0925 1    | € 19674 <b>09256 8</b>  | 30.36        | \$7.88       | 26             | 107.80      | S8.20    | 150            | 5111340         |
| Rebusto             | 4855-MACB        | 436 x 48  | 6 89674 0925 0    | 6 89674 09253           | 1228         | 37.36        | 75             | (415.W)     | 1600     | 37820          | STEWNS          |
| vaitable on Mix & N | latch Orders, Fr | ne karas  | of aqual or less. | ar value. Musi bi       | er each ha   | md.          |                | CONTRAC     | T BRANG  | SIGNATURE      | REQUIRED        |

FACTORY AND SUBSESTED RETAIL PRICES ARE SUBJECT TO CHANGE.

NEW ITEMS



### MACANUDO INSPIRADO ORANGE TUBO

Wrapper: Honduran Habano Binder: Honduran Habano Filler: Honduran Hayano, Nicaraguan Hayano, Piloto Cubano

Macanudo has won global accolades with its expertly-blended inspirado collection made with proprietary tobaccos from a broad range of origins. A complex medium bodied smoke with a lingering sweetness, this international, best-selling blend is new available in an eye-catching tube, created expressly for the U.S. market. With *Olgan Alicionado's* impressive 93 rating as an endorsement for the blend, the Macanudo fraging to bo is certain to fly off the shelf.

| IACANUDO I | NSPIRADO ( | ORANGE TU     | BO - ITEM # I   | 04650-MA      | CH                  |                      |             |           | Ship Date: A | ugust 22, 2017  |
|------------|------------|---------------|-----------------|---------------|---------------------|----------------------|-------------|-----------|--------------|-----------------|
| FRONTMARK  | Slat       | 1 PC1 BC      | L20 - 80)       | FSP PER DIGAR | SRP PER EIGER       | ETGARS PER 504       | E I PERIEDZ | STURFRIGE | TOTAL SEST   | TUTAL SPRIETURN |
| N25        | 3 (9.55)   | 89674 09084 7 | 6 89674 89085 4 | 3336          | 97.45               | - 20                 | \$22,56     | 5635      | 576.53       | \$3666          |
|            | 10         | MI            |                 | P             | CPR Salow Special - | 10% Off FSP per line | 60.16       |           |              |                 |
|            |            |               |                 |               | Total Less          | IPCPR Show Special   | 17.37       | 16.77     | 3000         | 1952            |



# THE ULTIMATE ACCESSORY COLLECTION BY COHIBA

From one of the world's most respected cigar brands comes a rarefied opportunity to purchase the ultimate in cuspum-designed cigar account ements. Plaited with premium stainless steel and palladium, this extraordinary set features the only two items a discerning cigar smoker will ever need. A sturming, thigle lorch flame lighter with abony lacquer accents brings beauty and power to provide efficient lighting in all conditions, while a razor-sharp, single action, double blade delivers a preose cut every single time. This special accessory duo is presented in a gorgeous display but and will only be available until the 300 sets are sold.

| HE ULTIMATE ACCESSORY CULLECTIO                      | N ВҮ СОН | IBA                  |             |             | 1-0        | Ship Bate: Au | gust 22, 2017     |
|--|----------|----------------------|-------------|-------------|------------|---------------|-------------------|
| e retuit   | 11-11    | SIZE IN (BOTH ITEMS) | FSP PER SET | SRP PER SET | ITENS PL 1 | 1014.009      | TOTAL SEP REIL RK |
| COMBA LUQURY ACCESSORIES SET WITH CUTTER AND LIGHTER | 10130    | 1% 4 2% x %          | \$360.00    | 8728.00     | 2          | \$350,00      | 5720,00           |

NEW ITEMS FACTORY AND SUGGESTED RETAIL PRICES ARE SURJECT TO CHANGE





Wrapper: Honduran Olancho San Agustin Binder Honduran Olancho San Agustin Filler: Honduran Jamastran, Mcaraguan Omelepe and Dominican Fitelo Gubeno

Cohiba Blue is made with a curated selection of tobaccos, hand selected by artisans, and created for all who seek to indulge in a cugar of impectable ped gree. As the world's finest tobaccos create the most enduring experiences, the unique, three-country blend delivers a sop histicated, memarable smake. A velvety, medium-bodied digar with a rich, complex taste, enticing arome and notes of cocoe, caramel and earth, Cohiba Blue has received glowing reviews smore its 'aunch earlier this year.



| OHIBA BLUE           |        |       |       |          |                 |                 |               |               |                |            | Ship Date: August 8, 2017 |            |                |
|----------------------|--------|-------|-------|----------|-----------------|-----------------|---------------|---------------|----------------|------------|---------------------------|------------|----------------|
| Lac Albark           |        | , III | M     | 1 12     | 1.67138         | MLC-BOX         | EVP PER DICER | TRA FER CIPAR | CIPARS FOR SIX | JUNE STALL | TTERST                    | TOTAL COST | TOTAL REPORTED |
| Churchill            | 04     | 0.00  |       | ™ ± 50   | E 89674 09059 4 | 6 896 4 890 8 0 | 25.09         | \$10.99       | Ti.            | \$101.80   | RIS                       | S110.00    | 5219 80        |
| Toro                 | 04     | 103   |       | 5x 54    | 6 89674 09078 6 | 6 896 4 89079   | S4.84         | 51 0.49       | 那              | -0.86      | 10.75                     | 5105.00    | \$209 80       |
| Robusto              | 04     | 1 00  |       | 146 x 50 | 6 89674 09072 4 | 6 89674 890 3 1 | \$4.59        | 9.99          | 20             | (60),80    | 1021                      | 100.00     | \$399.80       |
| Rethschild           | DA     | 2 03  |       | 16 x 50  | 6 89674 0907 5  | 6 89674 890 6 2 | \$4.09        | B.99          | 36             | 92.8       | 921                       | 590.00     | \$1 980        |
| Available on Mix & M | atch t | nders | . Fre | e box of | equal or lesser | value.          |               |               |                | CONTRAC    | T BRAND                   | SIGNATURE  | REQUIRED       |

COHIBA

FACTORY 2ND SUBBRESTED RETAIL PRICES ARE SUBJECT TO CHANGE.

### COHIBA MACASSAR

Wrapper: Honduras Binder: Connecticut Broadleaf Filler: Dominican, Honduran, Mexican

Distant from even the most primitive modes of transportation, Indonesian Macassar ebony is arguably the most difficult ebony in the world to procure. In a fitting tribute to its extraordinary namesake, Cohiba Macassar lends itself to extravagant smoking occasions with an outstanding assortment. The artisans of Cohiba selected only the finest leaves to conform to the brand's exacting standards of taste and aesthetics. This super-premium expression is made solely of proprietary tobaccos with exquisitely nuanced notes of wood and spice.





| соніва м      | OHIBA MACASSAR  |                |                    |                           |                  |                  |                   | Ship Date: August 3, 2017 |            |            |                     |
|---------------|-----------------|----------------|--------------------|---------------------------|------------------|------------------|-------------------|---------------------------|------------|------------|---------------------|
| FRONTMARK     | ITEM            | SIZE           | UPC - EACH         | UPC - BOX                 | FSP PER<br>CIGAR | SRP PER<br>CIGAR | CIGARS PER<br>Box | FSP PER<br>BOX            | FET CHARGE | TOTAL COST | TOTAL SRP<br>Return |
| Double Corona | 04677-COHM      | 7 1/4 x 54     | 6 89674<br>09140 0 | 6 <b>89674</b><br>09143 1 | \$12.59          | \$25 99          | 10 🐑              | \$125.90                  | \$4.10     | \$130.00   | \$259.90            |
| Gigante       | 04678-COHM      | 6 x 6D         | 6 89674<br>09141 7 | 6 89674<br>09144 8        | \$12.09          | \$24.99          | 10                | \$120.90                  | \$4.10     | \$125.00   | \$249.90            |
| Toro Grande   | 04679-COHM      | 6 x 52         | 6 89674<br>09142 4 | 6 89674<br>09145 5        | \$11.09          | \$22 99          | 10_               | \$110.90                  | \$4.10     | \$115.00   | \$229.90            |
| vailable on M | lix & Match Ord | ters. Free box | of equal or        | sser value.               | ***              |                  | *                 | CONTRACT                  | BRAND SI   | GNATURE R  | EQUIRED             |



### COHIBA SPECTRE

WRAPPER: Illuadoran Sumatra (additional 6 months of fermentation)

BINDER: USA/Connecticut Broadleaf

FILLER: Honduran Jamastran (2011 crop), Honduran La Entrada (2011 crop), Honduran OSA (2002 crop),
Nicaraguan Estelí (2011 crop, aged in Sherry barrels), Nicaraguan Estelí (2014 crop, aged in Sherry barrels),
& Dominican Piloto Cubano (1995 crop)

The artisans of Cohiba are proud to unveil a bespoke, small batch release unmatched in the world of handmade cigars. Spectre features eight varietals of tobacco, representing five countries of origin, each masterfully blended in harmony to elevate the smoking experience to the point of transcendence. This extraordinary expression of Cohiba speaks of luxury, embodying a series of painstaking fermentation techniques. To deepen its complexity, select tobaccos that comprise this rarefied offering were aged in Spanish Sherry barrels. Only 180 boxes of Cohiba Spectre have been produced, and the exquisite cigars are made by just one roller and one buncher. Both artisans are renowned for their exceptional dexterity and represent a combined expertise spanning nearly five decades. This is a cigar of refinement, one whose aesthetics and construction can only be described as flawless.

#### KEY SELLING POINTS

- Limited edition only 180 boxes made
- This is a luxury cigar like no other
- Handcrafted by just one buncher and one roller
- Only 8 bales of upper priming wrapper were selected for their special reddish color and intense flavor
- Nicaraguan filler is aged in Spanish Sherry barrels
- Dominican filler is tercio-aged and from 1995
- Tobaccos in the blend are aged for a minimum of 4 years, and up to 16 years
- Contract brand zero discount
- Keystone margin



| RONTMARK | SIZE    | UPE - EACH     | UPC - BOX      | FSP PER<br>CIGAR | SRP PER<br>CIGAR | CIGARS PER<br>BOX | FSP PER<br>BOX | FET CHARGE | TOTAL COST | TOTAL SRP<br>RETURN |
|----------|---------|----------------|----------------|------------------|------------------|-------------------|----------------|------------|------------|---------------------|
| Spectre  | 7 ½x 54 | 6 89674 094487 | 6 89674 094494 | \$44.59          | \$90.00          | 10                | \$445.90       | \$4.10     | \$450.00   | \$900.00            |

FACTORY AND SUGGESTED RETAIL PRICES ARE SUBJECT TO CHANGE.

## COHIBA BESPOKE COLLECTION



Just as true connoisseurs surround themselves in the finest made-to-order items, the Cohiba Bespoke Collection is inspired by the quest to have what is unattainable to most. The artistry that comes with expert blending and the personal style that is cultivated with understated pops of luxury are on full display in this limited edition offering. Featured within the Cohiba Bespoke Collection are two unique blends representing Cohiba's commitment to complex flavor and flawless construction, along with a pair of gunmetal cufflinks with the brand's signature "Red Dot" logo enameled in the center.



Cufflinks are gunmetal with Cohiba's signature 'Red Dot' enameled in the center.

| COHIBA BESPO             | OKE CC       | LLECTION            | - ITEM#         | 00231-          | PREP               | SHIP DATE:      | OCTOBER       | 11, 2018  |                     |
|--------------------------|--------------|---------------------|-----------------|-----------------|--------------------|-----------------|---------------|-----------|---------------------|
| ITEM                     | SIZE         | UPC<br>GIFT-PACK    | FSP<br>PER UNIT | SRP<br>PER UNIT | CIGARS<br>PER PACK | COST<br>W/O FET | FET<br>CHARGE | TOTAL     | TOTAL SRF<br>RETURN |
| Cohiba Limited Cufflinks | Assorted     | 6 89674 09731 0     | \$38.35         | \$79.99         | 4                  | \$38.35         | \$1.64        | \$39.99   | \$79.99             |
| Each Unit Contains:      |              |                     |                 |                 |                    |                 |               | Quantity: |                     |
| (2) Cohiba Limited Puro  | Cigars 6 x 5 | 4. (2) Cohiba Limit | ed Blend Cig:   | ars 6 x 52. (1) | Cohiha Exc         | lusive Cuffli   | nks           | 1         |                     |

FACTORY AND SUGGESTED RETAIL PRICES ARE SUBJECT TO CHANGE.
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#### COHIBA CONNECTICUT

WRAPPER: Ecuadorian Connecticut Shade

**BINDER:** Mexican San Andres

FILLER: Brazilian Mata Fina, Dominican Olor, Nicaraguan Jalapa, & Dominican Piloto Cubano

Cohiba Connecticut is a super-premium offering that exemplifies the art of blending. For this, the first Cohiba to be wrapped in Connecticut Shade, the brand's artisans partnered with an independent grower in Ecuador's Los Rios province to produce a silky and lustrous Ecuadoran Connecticut Shade wrapper, ideal for blending. When paired with five varieties of hand-selected leaves from four different countries, the result is a smoke with a rich aroma and exceptional depth. Compelling notes of sweetness and spice reign, as Cohiba's meticulous construction is on full display.

#### **KEY SELLING POINTS**

- Ecuadoran Connecticut Shade wrapper that complements the current Cohiba portfolio
- Complex cigar with a mellow, medium body that addresses the luxury consumer
- · Unveils the new Cohiba packaging designs that will soon be extended to the rest of the portfolio (excluding Macassar)
- Line priced with Cohiba Black and below key competitive brands (\$19.99 \$21.99 SRP per cigar)
- Contract pricing
- Keystone margin



Created for the connoisseur who seeks a stylish presentation and cigars that can only be described as perfection, the Cohiba Connecticut Penta collection features the brand's latest blend. Presented in a modern white box with elegant lacquer treatments, this special pack of five cigars is ideal for individual indulgence or for sharing with devoted lovers of the leaf.



| COHIBA ( | CONNECTICUT | SHIP DATE: AUGUST 8. | 2019 |
|----------|-------------|----------------------|------|
|----------|-------------|----------------------|------|

| FRONTMARK    | ITEM       | SIZE          | UPC - EACH     | UPC - BOX      | PER ČÍGAR | SRP<br>PER CIGAR | CIGARS<br>Per Box | FSP<br>Per box | FET<br>CHARGE | TOTAL COST | SRP RETURN |
|--------------|------------|---------------|----------------|----------------|-----------|------------------|-------------------|----------------|---------------|------------|------------|
| Gigante      | 04801-COHC | 6 x 60        | 689674 09788 4 | 689674 09789 1 | \$10.59   | \$21.99          | 20                | \$211.80       | \$8.20        | \$220.00   | \$439.80   |
| Toro         | 04800-COHC | 6 ½ x 52      | 689674 09786 0 | 689674 09787 7 | \$10.09   | \$20.99          | 20                | \$201.80       | \$8.20        | \$210.00   | \$419.80   |
| Robusto      | 04799-COHC | 5 ½ x 50      | 689674 09784 6 | 689674 09785 3 | \$9.59    | \$19.99          | 20                | \$191.80       | \$8.20        | \$200.00   | \$399.80   |
| Robusto Tubo | 04802-COHC | 5 x 50 (Tubo) | 689674 09790 7 | 689674 09791 4 | \$9.84    | \$20.49          | 10                | \$98.40        | \$4.10        | \$102.50   | \$204.90   |
|              |            |               |                |                |           |                  |                   |                |               | -          |            |

#### COHIBA CONNECTICUT PENTA COLLECTION | SHIP DATE: AUGUST 8, 2019

| FRONTMARK             | ITEM           | SIZE       | UPC - PACK      | UPC - UNIT      | PER PACK | SRP<br>Per Pack | PER UNIT | PER UNIT | CHARGE | TOTAL COST | SRP RETURN |
|-----------------------|----------------|------------|-----------------|-----------------|----------|-----------------|----------|----------|--------|------------|------------|
| Gigante 5-pack (4 pac | ks) 04837-COHC | 6 x 60     | 6 89674 09950 5 | 6 89674 09951 2 | \$52.95  | \$109.95        | 20       | \$211.80 | \$8.20 | \$220.00   | \$439.80   |
| Toro 5-pack (4 packs) | 04836-COHC     | 6 Mx 52    | 6 89674 09948 2 | 6 89674 09949 9 | \$50.45  | \$104.95        | 20       | \$201.80 | \$8.20 | \$210.00   | \$419.80   |
| Robusto 5-pack (4 pac | ks)04835-COHC  | 5 1/2 x 50 | 6 89674 09946 8 | 6 89674 09947 5 | \$47.95  | \$99.95         | 20       | \$191.80 | \$8.20 | \$200.00   | \$399.80   |

Available on Mix & Match Orders.

CONTRACT BRAND SIGNATURE REQUIRED



#### COHIBA SPECTRE

WRAPPER: Nicaragua Jalapa (additional 12 weeks of fermentation)

BINDER: USA/Connecticut Broadleaf

FILLER: Brazil Matafina (2016 grop), Nicaraguan Jalapa (2006 grop), Nicaraguan Estelí (2014 grop, aged in Sherry barrels)

Cohiba Spectre marries the art of masterful blending with the finest maturation techniques. For this, the second edition of Spectre, the artisans of Cohiba spent countless hours in developing the blend. They ultimately chose five varietals of hand-selected tobaccos from four revered growing regions to deliver a rarified smoking experience. Their intimate knowledge of tobacco led them to designate some leaves for aging in tercios to refine their flavors, while increasing the complexity of other leaves through a months-long finishing in fragrant Spanish Sherry casks. The result is not just a cigar, but an occasion unto itself. As dictated by the rarity of tobacco leaves selected for inclusion in this limited release, only a mere 180 boxes of this new and exquisite expression of Cohiba will be issued. As such, once the allotment of Cohiba Spectre is depleted, this exquisite blend will be retired.

#### **KEY SELLING POINTS**

- Limited edition only 180 boxes made
- . This is a luxury cigar like no other
- · Handcrafted by just one buncher and one roller
- Only 8 bales of upper priming wrapper were selected and fermented for 12 extra weeks
- · Nicaraguan filler is aged in Spanish Sherry barrels
- . Tobacco is tercio-aged (royal palm bark bales)
- Tobaccos in the blend are aged for a minimum of 4 years, and up to 16 years
- · Contract brand zero discount
- · Keystone margin



CONTRACT BRAND SINATURE REQUIRED
FACTORY AND SUGGESTED RETAIL PRICES ARE SUBJECT TO CHANGE

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## COHIBA SLIDING HUMIDOR/ASHTRAY GIFT SET

For those seeking a truly refined gift, the answer is always Cohiba. This handsome set is housed in an elegant piano-finished sliding humidor with ashtray. Protected inside are four Cohiba Holiday cigars blended by Brand Ambassador Sean Williams exclusively available through this special offer. This is a rare opportunity to own an extremely special Cohiba blend. Quantities are extremely limited.



#### COHIBA SLIDING HUMIDOR/ASHTRAY GIFT SET - ITEM #00959-PREP | SHIP DATE: OCTOBER 17, 2019

| TEM                            | SIZE       | PER UNIT              | PER UNIT | IMS<br>Per unit | PER DISPLAY | PER DISPLAY | COST<br>W/O FET | FET<br>CHARGE | TOTAL<br>COST | TOTAL SRP<br>RETURN |
|--------------------------------|------------|-----------------------|----------|-----------------|-------------|-------------|-----------------|---------------|---------------|---------------------|
| Cohiba Holiday Cigar           | 6 x 50     | \$33.36               | \$70.00  | 4               | 1           | 4           | \$33.36         | \$1.64        | \$35.00       | \$70.00             |
| Cohiba Sliding Ashtray Humidor | CASE       | \$40.00               | \$80.00  | 1               | 1           | 1           | \$40.00         | N/A           | \$40.00       | \$80.00             |
|                                | TOTAL      | \$73.36               | \$150.00 |                 | 1           |             | \$73.36         | \$1.64        | \$75.00       | \$150.00            |
| JPC Pack: 6 89674 10518 3      | UPC Displa | y: 6 89674 1 <b>0</b> | 519 0    |                 |             |             | luantity:       |               |               | •                   |

FACTORY AND SUGGESTED RETAIL PRICES ARE SUBJECT TO CHANGE.

## DIESEL WHISKEY ROW GIFT SET

Diesel Whiskey Row's limited edition holiday pack is like no other. Contained inside the wooden box are two items that will not otherwise be available: a neverbefore-released Rothschild size in the original Diesel Whiskey Row blend, and a branded silver whiskey-barrel-shaped lighter. Given Diesel's consistently high ratings, this pack is sure to sell out quickly.



\$75.00

#### DIESEL WHISKEY ROW GIFT SET - ITEM #82962 | SHIP DATE: OCTOBER 17, 2019

| ITEM                             | SIZE               | FSP<br>PER UNIT       | SRP<br>PER UNIT | ITEMS<br>PER UNIT | UNITS<br>PER DISPLAY | TOTAL ITEMS<br>PER DISPLAY | COST<br>W/D FET | FET    | TOTAL   | TOTAL SEP<br>RETURN |
|----------------------------------|--------------------|-----------------------|-----------------|-------------------|----------------------|----------------------------|-----------------|--------|---------|---------------------|
| Diesel Whiskey Row Short Robusto | 4½ x 50            | \$15.45               | \$35.00         | 5                 | 2                    | 10                         | \$30.90         | \$4.10 | \$35.00 | \$70.00             |
| Silver Whiskey Barrel Lighter    | TORCH              | \$20.00               | \$40.00         | 1                 | 2                    | 2                          | \$40.00         | N/A    | \$40.00 | \$80.00             |
|                                  | TÖTAL              | \$35.45               | \$75.00         |                   | 2                    |                            | \$70.90         | \$4.10 | \$75.00 | \$150.00            |
| UPC Pack: 6 89674 10526 8        | UP <b>O</b> rsplay | . 6 <b>89674 10</b> 9 | 527 5           |                   |                      |                            | Quantity:       |        |         |                     |

FRCTORY AND SUGGESTED RETAIL PRICES ARE SUBJECT TO CHANGE

17

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of Trademark Registration No. 1147309

For the mark COHIBA

| Date registere                                  | ed: February | 17, 198 | 1                     |             |                           |
|---|--------------|---------|-----------------------|-------------|---------------------------|
| AND   |              |         |                       |             |                           |
| In the matter<br>For the mark<br>Date registere | COHIBA       |         | egistration No. 18982 | 273         |                           |
| EMPRESA<br>CUBATAB                              |              | DEL     | TABACO, d.b.a.        | :<br>:      |                           |
|   |              | v.      | Petitioner,           | :<br>:<br>: | Cancellation No. 92025859 |
| GENERAL   | CIGAR CO.    | INC.,   |                       | :           |                           |
|   |              |         | Respondent.           | :           |                           |
|   |              |         |                       | :<br>x      |                           |

Steven Abbot – Annex M

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Cigar Industry (/cigar-industry)

#### A Brief History of the Cigar Industry

War, revolution and regulation have failed to snuff out the continuing story of the cigar.

By David Savona (/author/david-savona) | From Cigar Aficionado's 20th Anniversary, September/October 2012 (/issue/september-october-2012)

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A Brief History of the Cigar Industry

he year was 1992. The American cigar industry was in poor shape. The customer base was aging and contracting, sales had been in a steady 30-year decline and the men who made cigars and grew tobacco no longer encouraged their children to follow in their footsteps.

"I did not think that there was a future in the cigar industry," said Carlos Toraño in 2006, speaking about the state of the cigar industry in the 1980s. His father, grandfather, cousins, uncles—Just about everyone with the surname Toraño had worked with cigar tobacco, dating back to Cuba in 1916. But he was happy when his son Charlie chose a new career path, opting to become a lawyer instead of a tobacco man in August 1992.

American cigar consumption was spiraling to all-time lows, having dropped by more than 66 percent between the mid-1960s and early 1990s, according to the U.S. Department of Agriculture. Imports of premium, handmade cigars, which had hovered around the 100 million-unit mark throughout the 1980s, decreased by 2.6 percent between 1990 and 1991, to 103.6 million cigars.

"One of [my relatives] compared the cigar business to the buggy whip business," wrote Stanford Newman about the U.S. cigar industry at that time in his autobiography *Cigar Family*. "A dying industry with no future."

But Newman, and everyone else in the cigar industry, had no idea that the cigar boom was about to begin, and this centuries-old industry that has weathered all manner of challenges was about to be changed like never before.

We've all heard the tale of Columbus witnessing Cuba's indigenous population twisting up tobacco leaves and enjoying a rustic smoke, and how the explorer brought the raw material back to Europe. Webster's dates the origin of the word "cigar" back to 1730, from the Spanish *cigarro*, and what we think of as a cigar today—made of filler, binder and wrapper—appeared in the early eighteenth century, according to Tobacco in History and Culture. Spain developed quite the appetite for cigars, one that exceeded its ability to produce them, leading to Spanish investment in its then-colony of Cuba, where cigar production began in earnest.

The population of Havana boomed after the king of Spain declared free trade in 1818 in the country, which remained a Spanish colony until 1898. It was during that period that many of Cuba's famous cigar brands were created. Punch was formed in 1840 by a German, the famous Partagás factory

was built in 1845 by Spaniard Jaime Partagás, El Rey del Mundo and Sancho Panza were created by the German Emilio Ohmstedt in 1848 and Hoyo de Monterrey was founded in 1865 by José Gener, a young immigrant from Spain.

One hundred years ago, cigar smoking was quite common, and cigar factories seemed to be everywhere. "The cigar profession commanded a fair amount of prestige at the turn of the century. Cigars were arguably the most popular tobacco product in America," wrote Stanford Newman. "Almost every city in the East and Midwest had at least one small cigar factory." These factories were not necessarily large operations, and many were simply a person in a room rolling cigars.

Newman's father, J. C., began rolling cigars in the barn behind his family's Cleveland home in 1895, creating J. C. Newman Cigar Co., which still exists to this day. At the time, that facility was one of 300 cigar factories in Cleveland, and one of 42,000 in the entire United States.

Wherever they were rolled, all cigars were made entirely by hand until around 1920, when the first cigarmaking machines appeared, and they became more common after the Great Depression. In the meantime, cigarettes came on the scene, as they were included in the mess kits of G.I.s during the First World War, and began edging aside cigars in popularity. By the mid-1920s they had become the nation's most popular form of tobacco.

Cigar sales were largely flat in the 1940s and early 1950s, and most of the cigars made in America (outside of Florida) were being made by machine. On the premium end of the cigar business, Americans had a great appreciation for Cuban tobacco, almost all of it rolled in Tampa, Florida, into cigars that were known as Clear Havanas. And they were inexpensive. Arturo Fuente sold a diminutive size known as a Breva for 10 cents apiece at the time. "Pre-embargo, most cigars in the United States that were considered premium were a quarter," said longtime cigar industry veteran Sherwin Seltzer in a 1998 *Cigar Insider* interview. Imported Havanas, a small part of the business, cigars reserved for the extremely well-off, could be had for those willing to spend about 65 cents.

Fidel Castro's rise to power in Cuba in the late 1950s would forever change the world of cigars. In 1960, Castro seized control of Cuba's cigar and tobacco industry, and his regime plucked the country's cigar gems: it nationalized the Hoyo de Monterrey factory, home of Punch, Belinda and the Hoyo brand; seized the H. Upmann factory from owners Menendez and Garcia, taking with it Cuba's famous Montecristo and H. Upmann brands; and grabbed the emblematic Partagás Factory from owner Ramón Cifuentes. "They came inside, and said, 'We're here to intervene the company,' "Cifuentes told *Cigar Aficionado* in an interview. "And they didn't allow me to take anything."

The nationalization of Cuba's cigar industry led to the exile of many of its famed tobacco and cigar men, which led to the rise of the non-Cuban cigar industry. When U.S. President John F. Kennedy signed an embargo prohibiting nearly all trade between Cuba and the United States in 1962, it forced cigarmakers to reinvent their blends. Cuban leaf, the lifeblood of the cigar industry, was now off-limits to American smokers.

"When we got the embargo, we bought tobacco left and right by telephone," said Alfons Mayer in 2002. Mayer, who died in 2006, spent years as the main tobacco buyer for General Cigar Co. "We were buying Puerto Rican, Dominican, Colombian, people went to Brazil, we went all over Honduras, our native tobaccos here [in the United States], we used some Java, some air cured, we made blends, blends, blends. People went to different areas to try and grow tobacco. There was a lot of trial and error."

Cuba's exiled cigarmakers traveled far and wide searching for new places to roll. The Menendez family went to the Canary Islands to make cigars, and soon launched Montecruz, a copy of the Montecristo brand it had lost in Cuba. General Cigar turned to Jamaica, where cigarmaking had been a big business during the Second World War. General acquired the Temple Hall Factory in 1969, which included a then-unknown brand named Macanudo, destined to become the best-selling premium cigar in the United States for many years.

Many of Cuba's exiled cigarmakers made deals with American cigar companies to license or sell their cigar brand names, resulting in non-Cuban versions of Partagás, Punch, H. Upmann, Hoyo de Monterrey, Montecristo and other cigars strictly sold in the United States. The landmark 1972 lawsuit Menendez v. Faber, Coe & Gregg established a legal precedent in which the rights of the owners to sell their non-Cuban versions were upheld by American law.

Tobacco seeds were brought around the world, and propagated in various countries. French tobacco monopoly SEITA established plantations in Cameroon in western Africa in the late 1950s. The rich, toothy wrapper became an industry favorite, and the Meerapfel family saved it from extinction after the French left Africa in the early 1960s. At that time tobacco pioneers had success planting Cuban seeds in Honduras. In 1967, Carlos Toraño Sr. brought Cuban seeds to the Dominican Republic, a nation just removed from civil war, and helped improve the quality of the country's tobacco, which was mostly grown for cigarettes at the time.

With Dominican Republic cigars currently ubiquitous, it may be hard for a modern-day cigar lover to believe that 40 years ago the Dominican Republic made very few cigars for export. In the 1970s, most of the imported cigars enjoyed in the United States were rolled in the Canary Islands, Jamaica and Mexico, and America still made a large number of cigars. In the early 1970s, free-trade zones opened in the Dominican Republic. Conglomerate Gulf + Western, then the owner of Consolidated Cigar Corp., a company that later became Altadis U.S.A. Inc., began processing tobacco in La Romana in 1969 and started rolling cigars there in 1972.

In 1974 a free-trade zone opened in Santiago, and Manufactura de Tabacos S.A., known as MATASA, soon set up shop. Its owner, Manuel Quesada, explained in a 2004 interview in *Cigar Aficionado*: "In Miami, the cigarmakers that had come out of Cuba were getting older, and with the Social Security a lot of them had to be paid under the table and it started to become a hassle. The free zones had just started in the Dominican Republic. So it was a good idea to transfer production from Miami to the Dominican Republic."

By the mid-1980s, the Dominican Republic was a hot spot for making cigars. In the 1990s, it became the center of the cigar universe.

Imports of premium, handmade cigars began to climb towards the end of 1992—soon after *Cigar Aficionado* magazine appeared in September of that year. The American cigar market was turned on its head, and would go through a period of unimaginable growth. Premium cigar imports rose by 3.7 percent in 1992, 9.7 percent in 1993, 12.4 percent in 1994, 33.1 percent in 1995 and soared 66.7 percent in 1996, to more than 293 million cigars. Between 1992 and 1996, the market for fine cigars nearly tripled.

"I went back to look at our financials dating back to 1992, and I will honestly tell you that, based on our sales increases beginning in 1993, I would have had no problem guessing the year [the magazine] started," says John Oliva Sr., the head of Oliva Tobacco Co., one of the cigar world's leading names in growing and brokering cigar tobacco. "It was, in my opinion, *Cigar Aficionado* that kick-started the boom."

Once-sleepy smoke shops became jammed with customers. Incoming orders of cigars would sometimes be stacked in piles on the floor, never making it to the walk-in humidor. Kansas City retailer Curt Diebel, whose boom-time business doubled each month for a time, went as far as to install a secret spot in his humidor to hide his stock, in fear that new customers would walk in and buy everything he had. "I spent my time on the phone trying to convince the vendors to give me product," says Diebel. "Then I had to allocate my product for my [regular] customers. We got tired of having strangers come in and saying 'I'll take all of them.'"

In Miami, Ernesto Perez-Carrillo's La Gloria Cubana brand—heralded in the third issue of *Cigar Aficionado* with several 90-point scores for \$2 cigars—suddenly had the hottest thing in the cigar world, and found himself completely submerged in new orders. His sales rocketed from 700,000 cigars in 1992 to 3.3 million in 1996, and then nearly doubled to 6.1 million the following year.

Antismoking regulations in the United States were still in their infancy during the cigar boom, and restaurateurs regulations are the cigar lovers. Cigar bars opened, cigar dinners flourished, and Cigar Aficionado's Big Smokes brought cigar lovers out en masse.

Cigar shops expanded and new ones opened. As traditional cigar companies tried to expand their operations, newcomers flocked to the cigar industry, creating brand after brand after brand. People dug old cigars out of humidors (and basements) hoping to cash in at auction. The average price for a box of pre-embargo Cuban cigars sold at Christie's soared from less than \$500 in 1992 to nearly \$2,500 in mid-1996.

Cigar lovers were not only buying more cigars, but they had radically changed their buying habits. Before 1992, said Robert Levin, retailer and owner of the Ashton brand, "people would be brand loyal, come in once a week for a box of cigars. Now they come in with the ratings, and they want to buy a bunch of different brands." The sale of singles quickly replaced the box sale.

The most popular cigars of the early 1990s were often made of mild, Dominican filler, wrapped with mild leaves of Connecticut-shade. Cigarmakers, emboldened by the increased sales, made more flavorful blends. The late 1995 release of the Fuente Fuente OpusX helped spark a trend toward more powerful, spicy smokes. Cuban-seed tobaccos and Ecuadoran Sumatra wrappers became increasingly popular, and cigar smokers learned the term "ligero," describing the strongest variety of filler tobacco. The 1994 release of the ultrarich Padrón 1964 Anniversary Series, made entirely with Cuban-seed tobaccos, ignited a trend toward box-pressed cigars, which had been almost entirely absent from the U.S. market.

As cigar sales grew, so did the girth (measured in ring gauge) of the most-popular smokes. One retailer said that in 1990, almost 80 percent of his sales came from the very slim lonsdales and coronas sizes. By 1996, most of his sales came from fat robustos and corona gordas. The first edition of *Cigar Aficionado* magazine rated 17 robustos, the fattest of which had a ring gauge of 52. The Diamond Crown brand, a line consisting entirely of 54-ring gauge cigars, made news in 1995 when it was launched—as 54s were considered quite thick in those days. Today, a ring gauge of 60 characterizes one of the most popular sizes in American smoke shops.

The effects of the cigar boom reached Cuba as well. Consumers flocked to Cuban cigar stores and bought every cigar they could find. On a trip to Havana in early 1996, the *Cigar Aficionado* editors visited nine cigar shops and couldn't find a double corona, Montecristo No. 2 or Partagás Serie D No. 4. Cuba, which had produced fewer than 60 million export-quality cigars in 1993 and 1994, vastly increased its production. Cuban cigar exports reached 100 million units in 1997, and officials announced the long-term goal of increasing further to 200 million cigars by the year 2000.

In November 1996, Cuba launched the Cuaba brand, the first new brand from the island in nearly 30 years. That was soon followed by such creations as Vegas Robaina, Trinidad and San Cristobal de la Habana. Cuba opened new cigar factories and vastly increased plantings of tobacco. Alas, the mandate to pump out cigars at such a rate resulted in a rash of inferior product.

Wall Street soon took an interest in cigars, and six cigar companies went public in 1996. Newcomer Caribbean Cigar Co. became the first stand-alone public cigar company with its August 1, 1996 initial public offering. Sixteen days later, high-profile financier Ronald Perelman took his Consolidated Cigar Holdings public for \$23 a share. Machine-made giant Swisher International Group Inc., the cigar retailers JR and Holts, and even a one-year-old company named Tamboril soon followed suit.

By 1995, more than 25 million cigars were on back order, and in 1996, that number was more than 50 million. Cigar brands such as Arturo Fuente and La Gloria Cubana became impossible to find. For six weeks of the summer of 1996, General Cigar didn't ship a single Macanudo cigar, the best-selling premium cigar in the United States at the time. "We were using tobacco so rapidly we got caught. We didn't have enough in the aging blend," said then-company president Austin T. McNamara. The influx of boom-time smokes often meant substandard product. The April 1997 Cigar Insider had ratings for 50 cigars and, for the first time since publication began in January 1996, not one scored 90 points or more. Low ratings abounded, with a trio of 83s and one of the most expensive cigars in the issue—a \$6.25 effort from a Canary Islands brand called Goya—scored 82 points.

Newcomers arrived in droves, cash in tow, in Honduras, Nicaragua and especially the Dominican Republic, hoping to make a quick profit on the boom. New factories appeared across the Dominican Republic, hiring away talented cigarmakers. Some factories ran double shifts to keep up with demand, and it became a battle to find tobacco, cellophane, cedar boxes—everything used to make a premium cigar. Tobacco companies planted seeds in such unlikely places as Peru, Colombia, Panama, even Canada, and cigar factories opened in Indonesia, Ecuador and elsewhere. The once enemic industry tradeshow expanded from a few dozen booths to hundreds, and some enterprising attendees went so far as to sell their badges to those hoping to get inside. There were more than a few quirky market launches, among them cigar vending machines (created by two separate companies in 1997) and a line of cigars aimed at female cigar lovers called Cleopatra, which never quite got out of the planning stages.

Cigar sales had grown at an untenable pace. It was 1997 when the cigar industry started to catch up to the demand for cigars. The established companies began filling all the back orders for traditional cigar brands, a number that turned out to be inflated as cigar retailers had over-ordered through the boom, asking for 10 boxes, say, in hopes of receiving five. As the old-time brand names filled up the distribution chain, most of the newcomers found themselves in a pinch.

When the big-name brands caught up with demand, many of the cigars without pedigree no longer interested cigar lovers. By 1998, the discount retailers were buying up unwanted cigars from new manufacturers who suddenly found themselves without customers. Mark Goldman of House of Oxford Distributors set up a table in the Gran Almirante Hotel in Santiago in 1998 and bought cigars that had once retailed for \$200 a box for as little as \$7. "Basically, we've been buying cigars for less than it costs to make them," he said at the time.

Imports dipped as the market struggled to absorb all the cigars that had been made in the dizzying, final days of the cigar boom, falling to 248.3 million cigars in 1999. At the same time, the Wall Street love affair with cigars came to an end. (The cigar industry is a long-term business, in which tobacco bought today might not be sold for two or more years—a poor match for the stock market, which seeks gains in every quarter.) Swisher bought back its stock in 1999, JR Cigar went private the following year and Holt's followed suit in 2001

Europe's Tabacalera S.A. had bought heavily in the U.S. cigar industry, investing at the very peak of the market. The company spent more than \$350 million on three deals, including an eye-popping \$27 million on two Central American factories owned by Nestor Plasencia. When the market began to cool, the European influence grew. In 1999, France's SEITA S.A. acquired Consolidated Cigar for \$730 million. SEITA merged later that year with Tabacalera in a \$3.3 billion deal that created Altadis, which then bought half of Cuba's Habanos S.A., and was itself acquired by Imperial Tobacco PLC. Altadis rival Swedish Match AB, which bought the La Gloria Cubana brand in 1997, acquired General Cigar in a two-part deal beginning in 1999.

With the cigar market undergoing radical change, the industry was remade. In 2000, General Cigar closed its Jamaica factory, ending some 30 years of history and putting an end to Jamaica's era as a cigar-industry power (it had ranked third among major shippers in the early 1990s). Cigar shipments from Mexico, also once vibrant, have shrunk yearly, from 11 million in 1998 to fewer than 1 million last year. Nicaragua is the new star of the cigar world, with shipments growing continuously since 2003. The nation's cigars, once embargoed in the U.S. market, have soared from 33 million in 2003 to 102 million last year, vaulting to second place among premium cigar producers. The shift is a sign of the changing tastes of

connoisseurs, who are flocking to the fuller flavors of Nicaraguan tobacco.

Cigar imports have since recovered from the post-boom years. In 2001, they began to climb again—albeit at a far slower rate—and between that year and 2011 imports have increased by an average of six percent annually, with more than 278 million cigars imported last year—approaching three times the size of the cigar market in 1992, on a unit basis.

Today, the myriad companies that make, market, distribute and retail cigars worry not about who will buy their cigars, but if the government will cripple the industry with over regulation and taxes. The possibility that the Food and Drug Administration will slap restrictions on the industry, increasingly higher taxes and fewer and fewer cigar-friendly venues are the worries of the moment, and some fear that the government could ruin the cigar business.

But the legacy of the cigar boom can be seen in the heir apparents to some of the world's most famous cigar brands.

Children of cigarmakers, who had nearly forsaken their birthrights in the industry, were once again embeddened to join their parents. Today the cigar business is rich with father/son, father/daughter, brother/brother and brother/sister teams, including the Fuentes, Padróns, Quesadas, Eiroas, Garcias, Patels, Levins, Kelners, Newmans, Plasencias, Turrents, two Oliva families (one growing leaf, one making cigars) and many more. Charlie Toraño abandoned his law practice and joined his father in 1996, and today is president of the company, becoming the fourth generation in his family in the tobacco business.

Today Quesada proudly sits at the helm of MATASA, albeit in a new, far larger and more modern cigar factory, with his two daughters, Raquel and Patricia, taking an increasingly active role in the company, along with a number of nephews, nieces and cousins. They make blends using leaves that weren't

grown in the 1980s, package the cigars in vibrant boxes with modern logos and use their Blackberries to tweet about the products to cigar lovers around the world.

Twenty years ago, cigarmakers toiled in obscurity in a business that few felt had any future. "Nobody knew who was behind the products," says retailer Gary Pesh. Today, cigarmakers are stars, similar to celebrity chefs. And while cigar sales today aren't nearly as vibrant as they were during the peak of the boom, the cigar market is far larger today than it was before the boom. Premium cigar imports in 2011 (the last full year available) were 278.5 million cigars, well more than two-and-a-half times their level in 1991, when only 103.6 million cigars were imported.

While the market for cigars is far larger on a unit scale, the impact of the past 20 years is far more pronounced when you look at the overall value of the market. The average price for a premium cigar in 1990 was \$1.75, according to Cigar Insider estimates, giving the U.S. premium cigar industry a market value of \$186 million. The average price of a cigar rose to \$3.23 by 1996, giving the market a value of close to \$1 billion.

Today, cigar prices have pushed even higher. While there are bargains to be found, most lie in the \$5 to \$7 range. Many cigars sell for around \$10, and special cigars push the upper limits of premium cigar pricing to \$25, \$30 and more per cigar.

The average retail price of a premium cigar rated by either Cigar Aficionado or Cigar Insider in 2012 is \$9.51. At that average price, the U.S. premium cigar market would have a value of \$2.6 billion—14 times the value of the annual market in 1990.

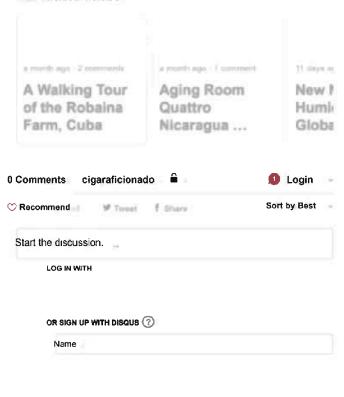
The cigar world has been completely, unforgettably transformed. Cigarmakers work alongside their sons and daughters, and no one who makes a cigar in 2012 worries that consumers down the road will lose interest in their product.

"Thank God for the cigar boom," says Carlos Fuente Jr., one of the icons of the cigar business. "For the first time in history, tobacco farmers, tobacco dealers, people who own smoke shops were all able to make a decent living."

J.C. Newman Cigar Co. (/company/j-c-newman-cigar-co)

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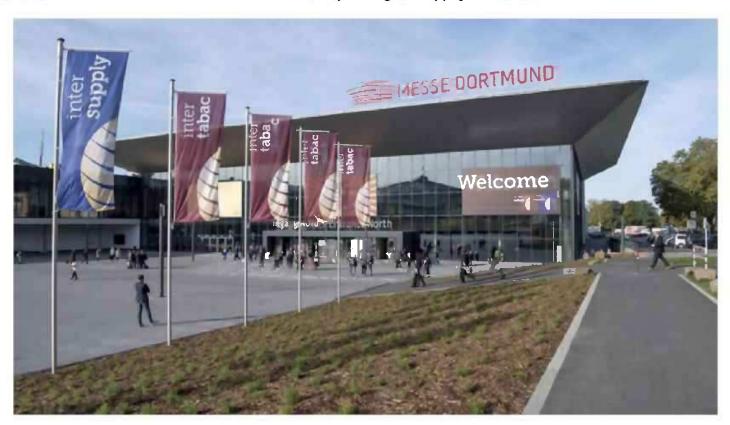


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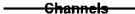


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## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of Trademark Registration No. 1147309

For the mark COHIBA

| Date registered: February 17, 1981   | 1           |             |                           |
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| AND  |             |             |                           |
| In the matter of the Trademark Refor the mark COHIBA Date registered: June 6, 1995 |             |             |                           |
| EMPRESA CUBANA DEL CUBATABACO,   |             | :<br>:<br>: |                           |
| v.   | Petitioner, | :<br>:<br>: | Cancellation No. 92025859 |
| GENERAL CIGAR CO., INC.,   |             | :           |                           |
|  | Respondent. | :           |                           |
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## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of Trademark Registration No. 1147309

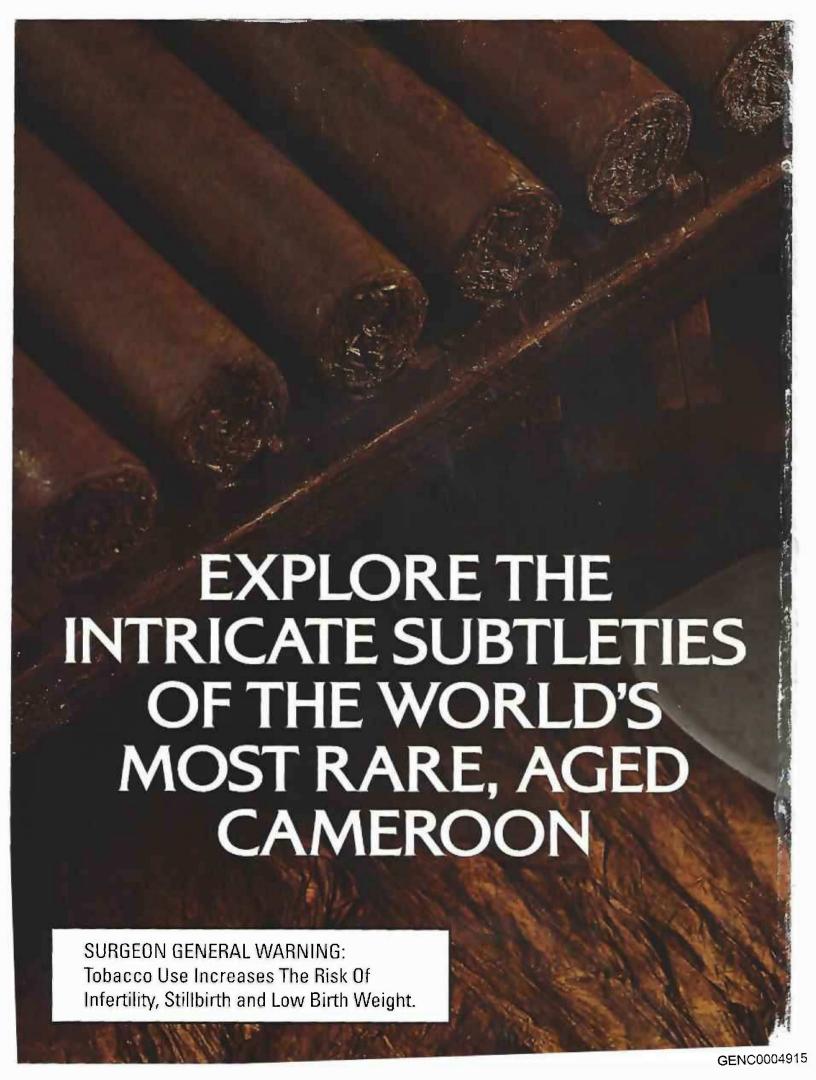
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| EMPRESA CUBANA DEL T<br>CUBATABACO,  |             | :<br>:      |                           |
| v.   | Petitioner, | :<br>:<br>: | Cancellation No. 92025859 |
| GENERAL CIGAR CO., INC.,   |             | :           |                           |
|  | Respondent. | :           |                           |
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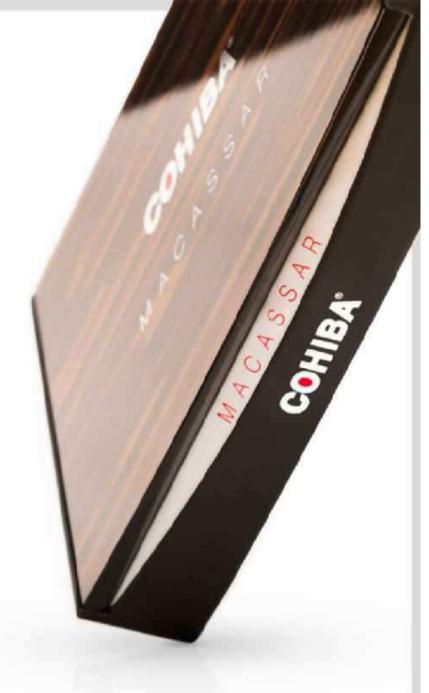




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|   | v.       | Petitioner,    | :<br>:<br>: | Cancellation No. 92025859 |
| GENERAL CIGAR CO.,  | INC.,    |                | :           |                           |
|   |          | Respondent.    | :           |                           |
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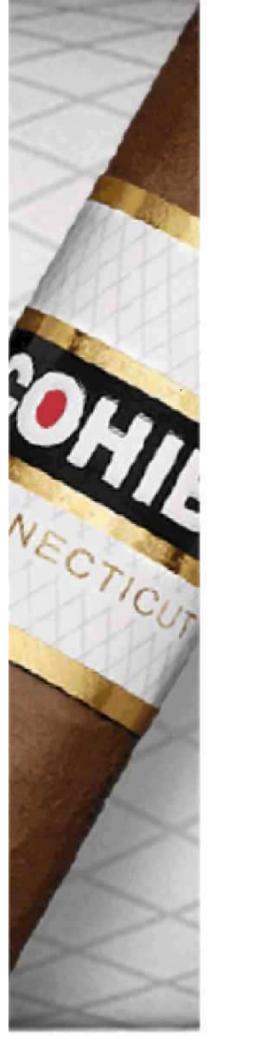












































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| EMPRESA CUBANA DEL T<br>CUBATABACO,   | -           | ·                         |
|   | Petitioner, | Cancellation No. 92025859 |
| v.<br>GENERAL CIGAR CO., INC.,  | ;<br>;      |                           |
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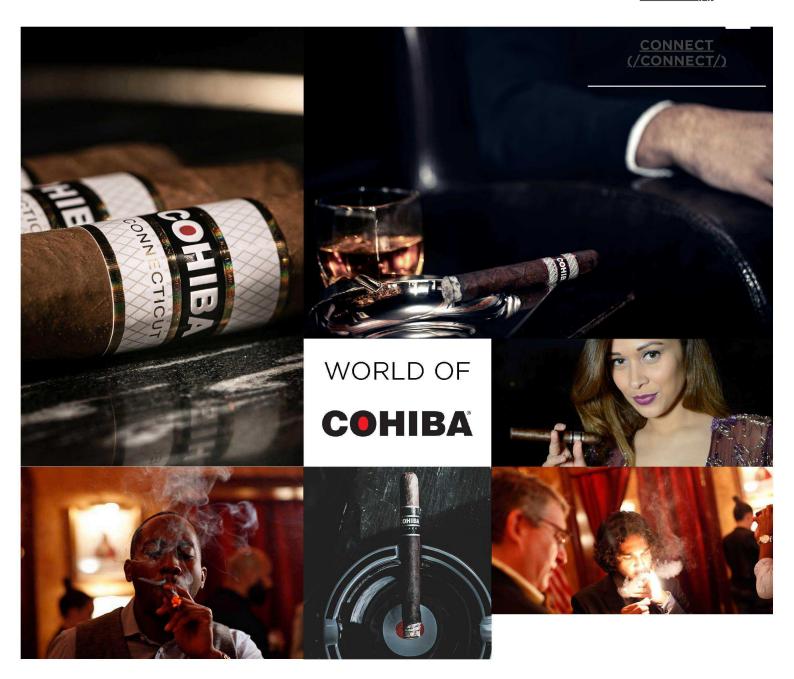
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In the matter of Trademark Registration No. 1147309

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| EMPRESA CUBANA DEL TABACO, CUBATABACO,   |                                |
| Petitione  | r, : Cancellation No. 92025859 |
| v.   | :                              |
| GENERAL CIGAR CO., INC.,   | :                              |
| Respond  | ent.                           |
|  |                                |

Steven Abbot – Annex R



(b) Except as otherwise provided in paragraph (c) of this section, TVA may seek significance determinations from OIRA for guidance documents, as appropriate, in the same manner as for rulemakings. Prior to publishing these guidance documents, and with sufficient time to allow OIRA to review the document in the event that a significance determination is made, TVA will generally provide OIRA with an opportunity to review the designation request or the guidance document, if requested, to determine if it meets the definition of "significant" or "economically significant" under Executive Order 13891.

(c) Guidance documents that do not otherwise present novel issues, significant risks, interagency considerations, unusual circumstances, or other unique issues that could reasonably be considered as significant or economically significant, within the meanings of Executive Order 13891, will not typically require a designation by OIRA.

## § 1301.76 Notice-and-comment procedures.

(a) Except as provided in paragraph (b) of this section, all proposed TVA guidance documents determined to be a significant guidance document" shall be subject to the following informal notice-and-comment procedures. TVA shall publish a document in the Federal Register announcing that a draft of the proposed significant guidance document is publicly available, shall post the draft significant guidance document on the TVA guidance portal site, shall invite public comment on the draft document for at least 30 days, and shall prepare and post a public response to significant concerns raised in the comments, as appropriate, on the TVA guidance portal site, either before or when the guidance document is finalized and issued.

(b) The requirements of paragraph (a) of this section will not apply to any significant guidance document or categories of significant guidance documents for which OGC finds, in consultation with OIRA, and the vice president of the proposing TVA BU, good cause that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest (and incorporates the finding of good cause and a brief statement of reasons therefor in the guidance issued).

(c) Where appropriate, OGC and the vice president of the proposing TVA BU may recommend to the TVA Chief Executive Officer (CEO) that a particular guidance document that is otherwise of importance to TVA's interests shall also

be subject to the informal notice-andcomment procedures described in paragraph (a) of this section.

#### §1301.77 Petitions.

Any person may petition the TVA Board of Directors to withdraw or modify a particular guidance document by submitting a written petition, addressed to the TVA Board of Directors, to OGC. TVA will endeavor to respond to all requests in a timely manner, and no later than 90 days after receipt of the request.

### §1301.78 Rescinded guidance.

No TVA BU may cite, use, or rely on guidance documents that are rescinded, except to establish historical facts.

# § 1301.79 Emergency situations, exigent circumstances, and legal requirement.

In emergency situations or exigent circumstances, or when TVA is required by statutory deadline or court order to act more quickly than normal review procedures allow, TVA shall notify OIRA of the circumstances that foreclose compliance with these procedures, and shall comply with the requirements of this subpart, to the extent practicable, at the earliest opportunity after the exigent circumstances have ceased. Wherever practicable, TVA should schedule its guidance document review proceedings to permit sufficient time to comply with the procedures set forth in this subpart, given the nature and extent of the exigent circumstances.

### § 1301.80 No judicial review or enforceable rights.

The regulations in this subpart are intended to improve TVA's issuance of guidance documents and processes and procedures that govern TVA's guidance documents. As such, this subpart is for the use of TVA personnel and contractors only, and is not intended to, and Does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, TVA, its agencies, agents, contractors, or other entities, officers, employees, or any other person.

[FR Doc. 2020–19546 Filed 9–23–20; 8:45 am]
BILLING CODE 8120–08–P

# DEPARTMENT OF THE TREASURY Office of Foreign Assets Control

### 31 CFR Part 515

### **Cuban Assets Control Regulations**

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Final rule.

**SUMMARY:** The Department of the Treasury's Office of Foreign Assets Control (OFAC) is amending the Cuban Assets Control Regulations to further implement portions of the President's foreign policy toward Cuba to deny the Cuban regime sources of revenue. Specifically, this rule: Adds a new prohibition for persons subject to U.S. jurisdiction regarding lodging and related transactions at certain properties in Cuba identified on a new list maintained by the State Department, and amends an interpretive provision and several general licenses to incorporate this new prohibition; amends four general licenses to restrict the importation into the United States of Cuban-origin alcohol and tobacco products; amends a general license to remove the authorization for persons subject to U.S. jurisdiction to attend or organize professional meetings or conferences in Cuba; and removes a general license that authorizes persons subject to U.S. jurisdiction to participate in or organize certain public performances, clinics, workshops, other athletic or non-athletic competitions, and exhibitions, and replaces it with a specific licensing policy. OFAC is also making a number of technical and conforming changes.

**DATES:** This rule is effective September 24, 2020.

### FOR FURTHER INFORMATION CONTACT:

OFAC: Assistant Director for Licensing, 202–622–2480, Assistant Director for Regulatory Affairs, 202–622–4855, or Assistant Director for Sanctions Compliance & Evaluation, 202–622–2490.

### SUPPLEMENTARY INFORMATION:

### **Electronic Availability**

This document and additional information concerning OFAC are available on OFAC's website (www.treasury.gov/ofac).

### Background

The Department of the Treasury issued the Cuban Assets Control Regulations, 31 CFR part 515 (the "Regulations"), on July 8, 1963, under various authorities, including the Trading With the Enemy Act (50 U.S.C. 4301–41). OFAC has amended the Regulations on numerous occasions, including to implement National Security Presidential Memorandum–5, "Strengthening the Policy of the United States Toward Cuba," signed by the President on June 16, 2017, and the President's foreign policy toward Cuba.

Today, OFAC, in consultation with the State Department, is taking

additional action to implement the Administration's foreign policy toward Cuba, as set forth in more detail below.

Restrictions on Lodging, Paying for Lodging, or Making Reservations for Lodging, at Certain Properties in Cuba

OFAC is incorporating a new prohibition at § 515.210 of the Regulations to prohibit any person subject to U.S. jurisdiction from lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property in Cuba that the Secretary of State has identified as a property that is owned or controlled by the Cuban government, a prohibited official of the Government of Cuba, as defined in § 515.337, a prohibited member of the Cuban Communist Party, as defined in  $\S 515.338$ , a close relative, as defined in § 515.339, of a prohibited official of the Government of Cuba, or a close relative of a prohibited member of the Cuban Communist Party. Concurrent with this regulatory amendment, the State Department is creating a new list, the Cuba Prohibited Accommodations List (CPA List), to publish the names, addresses, or other identifying details, as relevant, of properties identified as meeting such criteria, as well as the basis for the listing. The CPA List will be maintained by the State Department and published in the Federal Register. It will also be accessible through the following page on the State Department's website: www.state.gov/ cuba-sanctions/cuba-prohibitedaccommodations.

OFAC is making conforming edits to § 515.421, which provides interpretive guidance with respect to transactions ordinarily incident to a licensed transaction, to incorporate the new prohibition in § 515.210. This interpretive provision provides that any transaction ordinarily incident to a licensed transaction and necessary to give effect thereto is also authorized except in certain scenarios. OFAC is adding a provision at § 515.421(a)(6) to exclude from the scope of the interpretative provision lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the CPA List to the extent prohibited by § 515.210, where the terms of the applicable general or specific license expressly exclude such transactions.

OFAC is also amending several general licenses in Subpart E of the Regulations to exclude from the scope of such authorizations the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the CPA List to the extent prohibited by § 515.210. More

specifically, OFAC is amending the following sections to incorporate the exclusion related to § 515.210: (i) In § 515.533, which relates to exportations from the United States to Cuba, reexportations to Cuba, and the importation and servicing or repair of certain items previously exported or reexported to Cuba; (ii) in § 515.545, which relates to transactions involving information and informational materials; (iii) in § 515.559, which relates to certain export and import transactions by U.S.-owned or -controlled foreign firms; (iv) in § 515.560, which relates to travel-related transactions to, from, and within Cuba by persons subject to U.S. jurisdiction; (v) in § 515.561, which relates to family visits; (vi) in § 515.563, which relates to journalistic activity in Cuba; (vii) in § 515.564, which relates to professional research and professional meetings in Cuba; (viii) in § 515.565, which relates to educational activities; (ix) in § 515.566, which relates to religious activities in Cuba; (x) in § 515.567, which relates to certain public performances, clinics, workshops, competitions, and exhibitions in Cuba; (xi) in § 515.572, which relates to the provision of travel, carrier, and other transportation-related, and remittance forwarding services; (xii) in § 515.574, which relates to support for the Cuban people; (xiii) in § 515.575, which relates to humanitarian projects in Cuba; and (xiv) in § 515.576, which relates to activities of private foundations or research or educational institutes. In addition, OFAC is making technical and conforming changes related to these amendments in a number of the above sections.

Restrictions on Importation Into the United States of Cuban-Origin Alcohol and Tobacco Products

OFAC is amending four provisions of the Regulations to restrict the importation into the United States of Cuban-origin alcohol and tobacco products. More specifically, OFAC is amending the following authorizations to exclude the importation into the United States of Cuban-origin alcohol and tobacco products: (i) § 515.560(c)(3), which authorizes the purchase or other acquisition in Cuba and importation as accompanied baggage into the United States of Cuban-origin merchandise for personal use; (ii) § 515.569, which authorizes the importation of merchandise by any person arriving in the United States other than a citizen or resident of the United States, provided the importation is not in commercial quantities and are not imported for resale; (iii) § 515.571(a)(1), which

authorizes the importation into the United States of accompanied baggage for personal use by or on behalf of a Cuban national who is present in the United States; and (iv) § 515.585(d), which authorizes the importation into the United States as accompanied baggage certain Cuban-origin goods that are purchased or acquired in a third country for personal use. OFAC is also making technical and conforming changes to § 515.571(a).

Professional Research and Professional Meetings in Cuba

OFAC is eliminating the authorization in §515.564(a)(2) of the Regulations related to attendance at, or organization of, professional meetings or conferences in Cuba. Persons subject to U.S. jurisdiction are no longer authorized via general license to attend or organize professional meetings or conferences in Cuba pursuant to this section. OFAC is also amending § 515.564 to clarify that specific licenses may be issued on a case-by-case basis authorizing the travel-related transactions in § 515.560(c) and other transactions that are related to (i) professional research in Cuba that does not qualify for the general license under § 515.564(a) or (ii) professional meetings or conferences in Cuba that are not authorized under other travel-related authorizations and that relate to activities otherwise authorized pursuant to the Regulations. Finally, to reflect this change, OFAC is making technical and conforming edits in this section, as well as conforming edits in §§ 515.534, 515.542, 515.547, 515.560, 515.572, 515.577, and 515.591.

Public Performances, Clinics, Workshops, Athletic and Other Competitions, and Exhibitions

OFAC is removing the authorization in § 515.567(b) of the Regulations related to public performances, clinics, workshops, other athletic or nonathletic competitions, and exhibitions; however, OFAC may issue specific licenses, on a case-by-case basis, for transactions that are directly incident to participation in, or organization of, a public performance, clinic, workshop, athletic competition not covered by § 515.567(a), non-athletic competition, or exhibition in Cuba, subject to certain conditions. Upon this rule taking effect, the only athletic-related travel transactions authorized via general license in § 515.567 will be in connection with athletic competitions that qualify for the authorization in § 515.567(a).

Other Technical and Conforming Changes

Finally, OFAC is making a number of other technical and conforming changes as follows: (i) In § 515.101, OFAC is updating an outdated citation to the Trading With the Enemy Act; (ii) in §§ 515.209 and 515.582, OFAC is updating links to certain pages on the State Department's website that are out of date; (iii) in § 515.560, OFAC is removing the second occurrence of paragraph (e), which was previously included in error; and (iv) in § 515.570, OFAC is adjusting two cross-references to § 515.565 that previously referred to the wrong paragraphs of that section.

### **Public Participation**

Because the amendment of the Regulations involves a foreign affairs function, the provisions of Executive Order 12866 and the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, as well as the provisions of Executive Order 13771, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601–12) does not apply.

### **Paperwork Reduction Act**

The collections of information related to the Regulations are contained in 31 CFR part 501 (the "Reporting, Procedures and Penalties Regulations") and § 515.572 of this part. Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information are covered by the Office of Management and Budget under control numbers 1505-0164, 1505-0167, and 1505–0168. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

### List of Subjects in 31 CFR Part 515

Administrative practice and procedure, Alcohol, Athletics, Banks, Banking, Blocking of assets, Conferences, Cuba, Export, Financial transactions, Import, Remittances, Reporting and recordkeeping requirements, Tobacco, Travel restrictions.

For the reasons set forth in the preamble, the Department of the Treasury's Office of Foreign Assets Control amends 31 CFR part 515 as follows:

## PART 515—CUBAN ASSETS CONTROL REGULATIONS

■ 1. The authority citation for part 515 is revised to read as follows:

Authority: 22 U.S.C. 2370(a), 6001–6010, 7201–7211; 31 U.S.C. 321(b); 50 U.S.C. 4301–4341; Pub. L. 101–410, 104 Stat. 890 (28 U.S.C. 2461 note); 22 U.S.C. 6021–6091; Pub. L. 105–277, 112 Stat. 2681; Pub. L. 111–8, 123 Stat. 524; Pub. L. 111–117, 123 Stat. 3034; E.O. 9989, 13 FR 4891, 3 CFR, 1943–1948 Comp., p. 748; Proc. 3447, 27 FR 1085, 3 CFR, 1959–1963 Comp., p. 157; E.O. 12854, 58 FR 36587, 3 CFR, 1993 Comp., p. 614.

### Subpart A—Relation of This Part to Other Laws and Regulations

### §515.101 [Amended]

■ 2. In § 515.101 paragraph (b), remove "50 U.S.C. App. 5(b), as amended" and add in its place "50 U.S.C. 4301–4341".

### Subpart B—Prohibitions

### § 515.209 [Amended]

- 3. In § 515.209, in the note to paragraph (a), remove "website: http://www.state.gov/e/eb/tfs/spi/cuba/cubarestrictedlist/index.htm" and add in its place "website: https://www.state.gov/cuba-sanctions/cubarestricted-list/".
- 4. Add § 515.210 to read as follows:

# § 515.210 Restrictions on lodging, paying for lodging, or making reservations at certain properties in Cuba.

(a) Except as otherwise authorized pursuant to this part, no person subject to U.S. jurisdiction may lodge, pay for lodging, or otherwise make any reservation for or on behalf of a third party to lodge, at any property in Cuba that the Secretary of State has identified as a property that is owned or controlled by the Cuban government, a prohibited official of the Government of Cuba, as defined in § 515.337, a prohibited member of the Cuban Communist Party, as defined in § 515.338, a close relative, as defined in § 515.339, of a prohibited official of the Government of Cuba, or a close relative of a prohibited member of the Cuban Communist Party. Such properties are identified on the State Department's Cuba Prohibited Accommodations List (CPA List). This prohibition does not apply to certain transactions set forth in paragraph (b) of this section.

Note 1 to paragraph (a): The names, addresses, or other identifying details, as relevant, of properties that the Secretary of State has identified as meeting the criteria set forth in this section are incorporated in the CPA List as published in the Federal Register. The CPA List is also accessible through the following page on the State

Department's website: www.state.gov/cuba-sanctions/cuba-prohibited-accommodations.

(b) The prohibition in paragraph (a) of this section does not apply to lodgingrelated transactions initiated prior to the date that the property was added to the CPA List as published in the **Federal Register**.

### Subpart D—Interpretations

- 5. Amend § 515.421 as follows:
- a. In paragraph (a)(4), remove "or" at the end of the paragraph.
- b. In paragraph (a)(5), remove the period at the end of the paragraph and add in its place "; or".
- c. Add paragraph (a)(6).

  The addition reads as follows:

## § 515.421 Transactions ordinarily incident to a licensed transaction.

a) \* \* \*

(6) Lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210, where the terms of the applicable general or specific license expressly exclude such a transaction.

# Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

- 6. Amend § 515.533 as follows:
- a. Redesignate paragraph (d) as paragraph (e).
- b. Add new paragraph (d).The addition reads as follows:

# § 515.533 Exportations from the United States to Cuba; reexportations to Cuba; importation and servicing or repair of certain items previously exported or reexported to Cuba.

\* \* \* \* \*

(d) Certain travel-related transactions restricted. Nothing in paragraph (c) of this section authorizes the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210.

### §515.534 [Amended]

■ 7. In Note to § 515.534, remove ", and § 515.564(a)(2) for a general license authorizing travel-related and other transactions incident to attending or organizing professional meetings in Cuba, which include professional meetings relating to the negotiation of contingent contracts authorized by this section".

### §515.542 [Amended]

- $\blacksquare$  8. In note 1 to § 515.542, remove the last sentence.
- 9. Amend § 515.545 as follows:
- a. Redesignate paragraph (d) as paragraph (e).
- b. Add new paragraph (d).

  The addition reads as follows:

### §515.545 Transactions related to information and informational materials.

\* \* \* \* \* \*

(d) Certain travel-related transactions restricted. Nothing in paragraph (b) of this section authorizes the lodging,

restricted. Nothing in paragraph (b) of this section authorizes the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210.

### §515.547 [Amended]

- 10. In note 2 to paragraph (a), in the second sentence, remove "and professional meetings".
- 11. Amend § 515.559 as follows:
- a. Redesignate paragraph (e) as paragraph (f).
- b. Add new paragraph (e).

  The addition reads as follows:

# § 515.559 Certain export and import transactions by U.S.-owned or -controlled foreign firms.

\* \* \* \* \*

- (e) Certain travel-related transactions restricted. Nothing in paragraph (d) of this section authorizes the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210.
- $\blacksquare$  12. Amend § 515.560 as follows:
- a. In paragraph (c)(3), add a new second sentence.
- b. In paragraph (d), add ", and nothing in paragraph (c)(2) of this section authorizes the lodging, paying for lodging, or otherwise making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210, in each case" after "§ 515.209".
- c. Remove the reserved paragraph (e). The addition reads as follows:

# § 515.560 Travel-related transactions to, from, and within Cuba and by persons subject to U.S. jurisdiction.

(C) \* \* \* \* \* \* \*

(3) \* \* \* This paragraph does not apply to the importation into the United

States of Cuban-origin alcohol or tobacco products. \* \* \*

### §515.561 [Amended]

- 13. Amend § 515.561, in paragraph (a) by adding ", or the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210" after "§ 515.209".
- 14. Amend § 515.563 as follows:
- a. Redesignate paragraph (c) as paragraph (d).
- b. Add new paragraph (c).The addition reads as follows:

# § 515.563 Journalistic activities in Cuba. \* \* \* \* \* \*

- (c) Certain travel-related transactions restricted. Nothing in paragraph (a) of this section authorizes the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210.
- 15. Amend § 515.564 as follows:
- a. Revise paragraph (a).
- b. Redesignate paragraph (d) as paragraph (e).
- c. Add new paragraph (d).
- d. Revise newly redesignated paragraph (e).

The revisions and addition read as follows:

# § 515.564 Professional research and professional meetings in Cuba.

- (a) General license for professional research. The travel-related transactions set forth in § 515.560(c) and such additional transactions as are directly incident to professional research are authorized, provided that:
- (1) The purpose of the research directly relates to the traveler's profession, professional background, or area of expertise, including area of graduate-level full-time study; and
- (2) The traveler's schedule of activities does not include free time or recreation in excess of that consistent with a full-time schedule of professional research.

Example to § 515.564(a): The making of a documentary film in Cuba would qualify for the general license in this section if it is a vehicle for presentation of the research conducted pursuant to this section.

Note 1 to paragraph (a): A person does not qualify as engaging in professional research merely because that person is a professional who plans to travel to Cuba.

Note 2 to paragraph (a): Each person relying on the general authorization in this paragraph must retain specific records related to the authorized travel transactions. See §§ 501.601 and 501.602 of this chapter for applicable recordkeeping and reporting requirements.

\* \* \* \* \*

(d) Certain travel-related transactions restricted. Nothing in paragraph (a) of this section authorizes the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210.

(e) Specific licenses. Specific licenses may be issued on a case-by-case basis authorizing the travel-related transactions set forth in § 515.560(c) and such other transactions as are related to either: professional research in Cuba that does not qualify for the general license under paragraph (a) of this section, or professional meetings or conferences in Cuba that are not otherwise authorized pursuant to other travel-related authorizations and relate to activities otherwise authorized pursuant to this part.

- 16. Amend § 515.565 as follows:
- a. Redesignate paragraphs (f) and (g) as paragraphs (g) and (h).
- b. Add new paragraph (f).
  The addition reads as follows:

### §515.565 Educational activities.

(f) Certain travel-related transactions restricted. Nothing in paragraph (a), (b), (d), or (e) of this section authorizes the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210.

#### § 515.566 [Amended]

- 17. Amend § 515.566, in paragraph (a) introductory text by adding ", or the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210" after "§ 515.209".
- 18. Amend § 515.567 as follows:
- a. Add notes 1 and 2 to paragraph (a).
- b. Revise paragraph (b).
- b. Remove examples 1 and 2 to § 515.567(a) and (b).
- c. Remove notes 1 and 2 to § 515.567(a) and (b).
- d. In paragraph (c), remove "or (b)".
- e. In paragraph (d), remove "or (b)".
- f. Revise paragraph (e).

The additions and revisions read as follows:

# § 515.567 Public performances, clinics, workshops, athletic and other competitions, and exhibitions.

(a) \* \* \*

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Note 1 to paragraph (a): Each person relying on the general license described in paragraph (a) must retain specific records related to the authorized travel transactions. See §§ 501.601 and 501.602 of this chapter for applicable recordkeeping and reporting requirements.

Note 2 to paragraph (a): Transactions incident to the organization of amateur and semi-professional international sports federation competitions described in paragraph (a) include marketing related to such events in Cuba.

(b) Public performances, clinics, workshops, other athletic or non-athletic competitions, and exhibitions. Specific licenses, including for multiple trips to Cuba over an extended period of time, may be issued on a case-by-case basis authorizing the travel-related transactions set forth in § 515.560(c) and such other transactions as are directly incident to participation in or organization of a public performance, clinic, workshop, athletic competition not covered by paragraph (a) of this section, non-athletic competition, or exhibition in Cuba by participants in or organizers of such activities, provided that the event is open for attendance, and in relevant situations, participation, by the Cuban public.

(e) Certain travel-related transactions restricted. Nothing in paragraph (a) of this section authorizes the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210.

 $\blacksquare$  19. In § 515.569, add a sentence to the end to read as follows:

### § 515.569 Foreign passengers' baggage.

\* \* \* This authorization does not apply to the importation into the United States of Cuban-origin alcohol or tobacco products.

### § 515.570 [Amended]

- 20. Amend § 515.570, in paragraph (d), by removing "§ 515.565(d)" in both places it appears and adding in its place "§ 515.565(h)".
- 21. Amend § 515.571 as follows:
- $\blacksquare$  a. In paragraph (a)(1), add a sentence to the end.
- b. In paragraph (a)(3), remove "and" after "accompanied baggage".
- c. In paragraph (a)(4), remove the period and add in its place "; and".

The addition reads as follows:

# §515.571 Certain transactions incident to travel to, from, and within the United States by Cuban nationals.

(a) \* \* \*

(1) \* \* \* This paragraph (a)(1) does not apply to the importation into the United States of Cuban-origin alcohol or tobacco products.

\* \* \* \* \*

#### § 515.572 [Amended]

- 22. Amend § 515.572 as follows:
- a. In paragraph (a)(1), add ", or the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210," after "§ 515.209".
- b. Remove Note to § 515.572(a).
- 23. Amend § 515.574 as follows:
- a. Redesignate paragraph (d) as paragraph (e).
- b. Add new paragraph (d).
- c. In Example 1 to § 515.574, add a new third sentence.
- d. In Example 2 to § 515.574, add a new third sentence.
- e. In Example 3 to § 515.574, add ", and will not lodge, or pay for lodging, at any property on the CPA List to the extent prohibited by § 515.210" after "(see § 515.209)".

The additions read as follows:

# § 515.574 Support for the Cuban people. \* \* \* \* \* \*

(d) Certain travel-related transactions restricted. Nothing in paragraph (a) of this section authorizes the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List (CPA List) to the extent prohibited by § 515.210.

Example 1 to § 515.574: \* \* \* The traveler will not lodge, or pay for lodging, at any property on the CPA List to the extent prohibited by § 515.210.

Example 2 to § 515.574: \* \* \* The travelers will not lodge, or pay for lodging, at any property on the CPA List to the extent prohibited by § 515.210.

\* \* \* \* \*

- 24. Amend § 515.575 as follows:
- a. Redesignate paragraph (d) as paragraph (e).
- b. Add new paragraph (d).The addition reads as follows:

### § 515.575 Humanitarian projects.

\* \* \* \* \*

- (d) Certain travel-related transactions restricted. Nothing in paragraph (a) of this section authorizes the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210.
- 25. Amend § 515.576 as follows:
- a. Redesignate paragraph (d) as paragraph (e).
- b. Add new paragraph (d).

  The addition reads as follows:

# § 515.576 Activities of private foundations or research or educational institutes.

\* \* \* \* \*

(d) Certain travel-related transactions restricted. Nothing in paragraph (a) of this section authorizes the lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property on the Cuba Prohibited Accommodations List to the extent prohibited by § 515.210.

### §515.577 [Amended]

■ 26. Amend § 515.577 by removing paragraph (e) and redesignating paragraph (f) as paragraph (e).

### §515.582 [Amended]

- 27. Amend § 515.582 by removing "http://www.state.gov/e/eb/tfs/spi/" and adding in its place "https://www.state.gov/the-state-departments-section-515-582-list/".
- 28. Amend § 515.585, in paragraph (d), by adding a sentence at the end."" after "personal use only.".

### § 515.585 Certain transactions in third countries.

\* \* \* \* \*

(d) \* \* \* This paragraph does not apply to the importation into the United States of Cuban-origin alcohol or tobacco products.

\* \* \* \* \*

### § 515.591 [Amended]

■ 29. In Note 2 to § 515.591, remove "and professional meetings" after "professional research".

Dated: September 21, 2020.

#### Andrea Gacki.

Director, Office of Foreign Assets Control. [FR Doc. 2020–21084 Filed 9–23–20; 8:45 am]

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### U.S. DEPARTMENT OF THE TREASURY

# Treasury Amends Regulations to Restrict Revenue Sources to the Cuban Regime

September 23, 2020

**WASHINGTON** – Today, the Department of the Treasury's Office of Foreign Assets Control (OFAC) amended the Cuban Assets Control Regulations (CACR) to further implement the President's foreign policy to deny the Cuban regime sources of revenue. The changes restrict lodging at certain properties in Cuba; importing Cuban-origin alcohol and tobacco products; attending or organizing professional meetings or conferences in Cuba; and participating in and organizing certain public performances, clinics, workshops, competitions, and exhibitions in Cuba. These regulatory amendments will become effective upon publication in the Federal Register.

"The Cuban regime has been redirecting revenue from authorized U.S. travel for its own benefit, often at the expense of the Cuban people," said Treasury Secretary Steven T. Mnuchin. "This Administration is committed to denying Cuba's oppressive regime access to revenues used to fund their malign activities, both at home and abroad."

For the latest changes to the CACR, which can be found at 31 Code of Federal Regulations (CFR) part 515, see here. Major elements of the changes in the revised Treasury regulations include:

### **CUBA PROHIBITED ACCOMMODATIONS LIST**

OFAC is incorporating a new provision into the CACR that prohibits any person subject to U.S. jurisdiction from lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge at any property that the Secretary of State has identified as owned or controlled by the Cuban government, a prohibited official of the Government of Cuba, a prohibited member of the Cuban Communist Party, a close relative of a prohibited official of the Government of Cuba, or a close relative of a prohibited member of the Cuban Communist Party.

Concurrent with this change, the State Department is creating a new list, the Cuba Prohibited Accommodations List, to identify the names, addresses, or other identifying details, as relevant, of properties subject to this prohibition.

### **CUBAN-ORIGIN ALCOHOL AND TOBACCO**

OFAC is amending the CACR to exclude the importation into the United States of Cuban-origin alcohol and tobacco products from several general authorizations. Previously, the importation of Cuban-origin alcohol and tobacco products as accompanied baggage was authorized for non-commercial use under certain circumstances.

### PROFESSIONAL MEETINGS AND CONFERENCES

OFAC is eliminating the general authorization related to attendance at, or organization of, professional meetings or conferences in Cuba. These activities may be authorized via specific license on a case-by-case basis to the extent not authorized under other travel-related authorizations.

# PUBLIC PERFORMANCES, CLINICS, WORKSHOPS, COMPETITIONS, AND EXHIBITIONS

OFAC is eliminating the general authorization related to public performances, clinics, workshops, other athletic or non-athletic competitions, and exhibitions. These activities may be authorized via specific license on a case-by-case basis. As a result of this amendment, the only remaining general license for participation in and organization of athletic competitions in Cuba will be the general license for athletic competitions by amateur or semi-professional athletes or athletic teams.

View more information on Cuba sanctions.

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